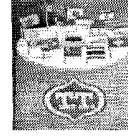




**T T LIMITED**  
(CIN NO.-L18101DL1978PLC009241)  
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OPP: AJMALKHANPARK, KAROL BAGH,  
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WEBSITE: <http://www.tttextiles.com>



Dated: 28<sup>th</sup> May, 2020

To,

- |   |  |
|---|--|
| <b>1. M/s National Stock Exchange of India Ltd</b><br>"Exchange Plaza"<br>Plot No. C/1, G Block<br>Bandra Kurla Complex<br>Bandra (E), Mumbai-400051<br>Ph: 022-26598100-8114 | <b>2. Bombay Stock Exchange Limited</b><br>Floor 35, P.J. Towers<br>Dalal Street<br>Mumbai-400001<br>Fax-022-22722061/41/39/37 |
|---|--|

Scrip Code : TTL/ 514142

**Ref: Regulation 30 of SEBI (LODR) Regulation, 2015 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020**

With reference to the above circular, we wish to inform as under:-

**IMPACT OF THE COVID-19 PANDEMIC ON THE BUSINESS:**

T T Limited is mainly in the business of textiles, yarn, fabric and garments, having approximately 50% export. We would like to inform the Exchanges that, the lockdown had a severe impact on the business from mid March to April end. However, from the 4<sup>th</sup> week of April, we were able to open our production facilities with reduced working and in the month of May, we have been running all our factories. The capacity utilization is however low due to labour shortage and Government norms of working. Due to lockdown there was slow recovery from debtors and demand of the Company's products was also low till April. However, from May sales and collections have picked up and inventory levels have actually reduced due to unexpected good demand of yarn in exports and garments in rural and semi urban markets. Our Company is almost like any other company to suffer from adverse impact of Corona War.

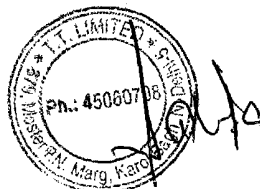
It is expected that it would take about 3-4 months for normal sales to be achieved.

**ABILITY TO MAINTAIN OPERATIONS INCLUDING THE FACTORIES/UNITS/OFFICE SPACES FUNCTIONING AND CLOSED DOWN:**

The operations in the manufacturing units of the Company as well as at the Head Office/Corporate Office have been resumed partly (as per lock down norms) and the Company is complying with all the requirements related to social distancing. We have made it mandatory to wear facemask, face cover and have proper sanitizations with proper interval with reduced work force. The Company is providing hygienic work environment and safety protection equipment. It has also permitted work from home to some staff. The Company has taken precautionary measures to safeguard health and safety of its employees, customers and other visiting stakeholders. None of the Company's laborers had been on road. Everyone is adequately safe and happy.

**SCHEDULE, IF ANY, FOR RESTARTING THE OPERATIONS:**

The operations have already started with partial/reduced capacity and according to guidelines issued by the Government. Percentage capacity utilization is progressing.



## **STEPS TAKEN TO ENSURE SMOOTH FUNCTIONING OF OPERATIONS:**

Workers and laborers have been retained by paying them the salary of March and April to sustain their livelihood. The company has taken a variety of safety steps, such as sanitizing the premises and vehicles on regular basis, maintenance of social distancing at work places, enforcing thermal screening and wearing of masks and regular cleaning of hands. The company is also providing meals and commuting facilities wherever necessary.

## **ESTIMATION OF THE FUTURE IMPACT OF COVID-19 ON ITS OPERATIONS**

Covid-19 certainly would have negative impact on the industry in common and the company in particular. The business of yarn export is expected to have reduced demand and resultant loss of turnover is expected in the current financial year. Similar impact in the domestic market of textile and garment industry is expected in the current financial year. The debtors' recovery is slow and immediate payment made to the creditors will create short-term liquidity mismatch, however that is expected to smoothen out in 3 months.

The silver lining has been the fall in cotton prices by almost 17%, and the Company was not holding much stock of the same. Hence, no loss is anticipated due to inventory getting revalued. This will also help the Company maintain its spinning margins despite the corresponding fall in cotton prices. The depreciated rupee will also help in supporting prices.

The Company has also started manufacturing face masks, all over bodysuits (PPE Suits) and other PPE products at both of its garment manufacturing units at Gajroula (UP) and Avinashi (Tamilnadu) and expects that this will help in recovering partially the loss of garment turnover and the Company is exploring various avenues in the overseas market wherein the demand of the company's products like yarn, fabric and garments can generate the significant business for the Company. With the opening of the restrictions imposed during the lockdown, the Company expects the demand in the domestic market will also further pick up in the coming quarter. Pipeline inventory of the Company has dried up at present and TT Limited firmly believes that it will be able to tide over these uncertain times and sees going ahead supply side as a bigger challenge than demand.

## **DETAILS OF IMPACT OF COVID-19 ON LISTED ENTITIES**

### **1. CAPITAL AND FINANCIAL RESOURCES:**

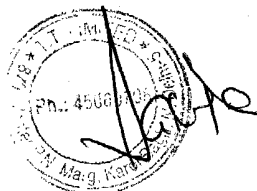
The Company has no plan to increase the Share Capital in the present year. Though internal accrual will be squeezed, Company will try to reduce its inventory and the credit period to debtors.

### **2. PROFITABILITY:**

The profitability of the company for the year 2019-20 is not yet finalized but is expected to have marginal losses. The profitability for the year 2020-21 will also be at a lower level because of the reduction in sales due to COVID-19 lockdown.

### **3. LIQUIDITY POSITION:**

The Company is facing the liquidity issue at the moment due to slow receipt of funds from its customers. The company is planning to reduce the overhead cost appropriately and working double hard on recovery.



**4. ABILITY TO SERVICE DEBT AND OTHER FINANCING ARRANGEMENTS:**

The Company has availed Demand Loan Facility- Covid 19 Emergency Credit Facility from the Punjab National Bank (eOBC). The company has not defaulted on any interest or loan payment.

**5. ASSETS:**

Company's assets are sufficiently protected and there is no impact as such on the assets of the Company. All the assets are duly insured.

**6. INTERNAL FINANCIAL REPORTING AND CONTROL:**

The Company is having adequate internal financial reporting and control system. The Company will use effective techniques to improve its operations and to increase the demand of its products.

**7. SUPPLY CHAIN:**

At present, the supply chain of the Company is also affected due to lockdown in the country. The Pipeline inventory of the Company's garment products have dried up and the Company is facing logistic challenges in catering to the demands of the customers. However, the company is positive and production is slowly normalizing in all the centres.

**8. DEMAND FOR ITS PRODUCTS/SERVICES:**

At present, the demand for Company's garments product is low. However the same is picking up and is expected to normalize in the next 3-4 months. However garment exports are expected to stay muted in the first half of 2020-21.

Yarn and fabric demand is normal at the moment in export market, however domestic demand is slow and is expected to only restart in June.

**9. EXISTING CONTRACTS/AGREEMENTS WHERE NON-FULFILLMENT OF THE OBLIGATIONS BY ANY PARTY WILL HAVE SIGNIFICANT IMPACT ON THE LISTED ENTITY'S BUSINESS:**

There is no major existing contracts or agreements that have been impacted.

**10. OTHER RELEVANT MATERIAL UPDATES ABOUT THE LISTED ENTITY'S BUSINESS.**

There is no other material update at this stage.

Please take the above information on records.

Thanking You,  
Cordially Yours,  
For T T Limited

Sanjay Kumar Sharma  
Company Secretary  
M. No. F7311

