

TTK Prestige LIMITED



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May 21, 2020

National Stock Exchange "Exchange Plaza", C-1, Block G, Bandra- Kurla Complex, Bandra (E), Mumbai – 400 051. Scrip Symbol : TTKPRESTIG	BSE Limited 27th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001. Scrip Code : 517506
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Dear Sirs,

Please find below the Update as of 20th May 2020 regarding Impact of Covid 19 on the business of the company

IMPACT WITH RESPECT TO Q4 OF FY 19-20

1. Company started recovery and growth across channels in February 2020.
2. Swachh range was receiving very good response.
3. Consumer sentiment was also improving.
4. Progress of Covid 19 beyond China started having adverse impact on export orders.
5. Domestic business was normal till 15th March 2020 and the company maintained its pervious year levels of sale and expected to grow in the last two weeks.
6. The whole country started seeing 'Shut down' in parts since 19th March 2020 and complete shutdown became inevitable since 22nd March 2020. Sales could not be effected after this date.
7. Company discharged all its obligations in full on payroll (including contract/casual workmen) without any deduction for the month of March 2020.
8. Company discharged its obligations to all creditors within due dates though collections slowed down during the last week of March 2020.
9. The sales that could not be effected in the last quarter due to shutdown is estimated at Rs.70 crores. Notwithstanding this the company expects to end the quarter with profits after absorbing all idle overheads caused by lockdown during second fortnight of March 2020.
10. As for the full year, standalone sales are likely to be slightly lower than PY, so also PBT. PAT is expected to be higher than PY due to lower tax rates. The exact figures will be disclosed while publishing audited results during June 2020.
11. The company is debt-free and carried a cash reserve of around Rs.360 crores as of 31st March 2020.
12. Both at company level and at channel level sufficient levels of Finished Goods maintained to meet retail demand pursuant to easing of lockdown conditions.

POSITION POST 31st March 2020 relevant to Q1 of FY 20-21:

Sales:

1. The Company started billing operations from 4th May 2020.
2. After 6th May 2020, around one third of Prestige Exclusive Stores have started retail operations in the States of Karnataka, Kerala, Goa and Tamil Nadu.
3. The Prestige Exclusive retail channel off-take has been encouraging and the daily sales are in the region of the levels that prevailed prior to lock-down.
4. General retail trade is slowly opening up and footfalls are getting better.
5. Online is also opening up but delivery is the challenge. Some warehouses are in red zone and movement of goods to and from such warehouses is sluggish. This is expected to ease from 25th May 2020.
6. Primary sales are creeping up gradually day by day and expect that will reach breakeven levels during June 2020, subject to further ease of lockdown conditions
7. Break-even sales is around Rs.3 crores per day or Rs.80 crores a month to cover standing costs of around Rs.17 crores a month.

Manufacturing:

1. All factories have resumed operations after 6th May 2020.
2. Factories operate with limited manpower as per applicable conditions.
3. Most workmen both permanent and contract are available nearby factory locations and hence non-availability of workforce is not a major concern.
4. SOPs are in place in compliance with State directives and layout has been worked out with sufficient distancing among workmen.
6. To start with, plant and equipment have been completely subject to safety audit and production is being kept at low level to avoid accumulation of inventory.
7. Only day shift is being operated.

Offices/ Working from Home/ Online people development:/Engagement with stakeholders.

1. Corporate office is open from 6th May 2020 with 30% man-power presence on rotational basis.
2. Branch offices in non-containment zones are operational with limited manpower
3. Except blue collar and part of field force, all other employees have been working from home.
4. I T support has been fabulous and has enabled working from home including invoicing.
5. Microsoft Teams is used extensively and the organization as a whole has learnt to work under the new normal; Teamwork, Efficiency and Productivity have in fact improved.
6. HR has arranged extensive online professional development programmes for all levels of employees and the participation has been overwhelming.
7. Engagement with both internal stakeholders and external stakeholders has been continuous through online meetings.

Finance /Payment Obligations:

1. All employees including contract workmen have been fully paid till 30th April, 2020 in compliance with the directives.
2. All vendors have been paid within due dates.
3. All statutory obligations have been paid within due dates
4. Trade collections have been sluggish pending clearance of inventory at trade levels.
5. Certain schemes and incentives have been offered to Trade to improve collections.
6. Company carries sufficient liquidity, in excess of Rs.250 crores as of date and there is no need to raise any debt to meet the standing costs or working capital.


IMPACT FOR FY 21:

1. If the lockdown gets eased further going forward, company expects to see demand revival. The domestic kitchens have been stressed during the last two months and it is expected that kitchen improvement will be the main agenda in homes in the next two quarters.
2. Company has over the last few years has been actively pursuing "Make In India" policy for the appliances portfolio by fortifying the local vendors. The dependence has come down to 10% of sales and even for these SKUs the company is developing local vendors to be in a position to cater to domestic demand in the near future.
3. Expect to see export customers shifting their sourcing to India from China and are in constant engagement with them.

This is for your information and records.

Thanking you,

Yours faithfully,
For TTK Prestige Limited,


K. Shankaran
Director & Secretary