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REF: CITL/NSE/15/2020-21
Saturday, June 6, 2020

Listing Department
National Stock Exchange of India Limited
5th Floor, Exchange Plaza
Bandra (E)
MUMBAI-400 051

Dear Sirs

Sub: Disclosure of material impact of COVID–19 pandemic under Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

Ref: SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20th May, 2020

Pursuant to Regulation 30 of Listing Regulations read with SEBI Circular No. SEB/HO/CFD/CMD1/CIR/P/2020/84 dated 20th May, 2020, following are the brief details relating to the impact of the COVID19 pandemic and the resultant lockdown on the operations of the Company:

1. Impact of the COVID-19 pandemic on the business operation

    a. The rampant spread of COVID-19 outbreak has severely impacted almost the whole world and triggered significant downside risks to the overall global economic outlook.
    b. Due to the lockdown announced by the Government of India from 24th March, 2020, entire operations of the Company came to a halt.
    c. During this period, there was an increase in demand for refurbished laptops and desktops due to work from home and the Company find that the demand is continuing. However, we were not able to execute orders due to lockdown and due to severe shortage of raw materials, since majority of them are imported from China. However, we are now making attempts to execute orders. This has however affected the pricing due to the demand the prices of all raw materials have gone up consequently our own selling prices are up.
    d. We find major customers of EPR and E-Waste are postponing their decisions due to their own fall in production and sales due to Covid 19 and lockdown. We are yet to assess the damage due to this. However, we feel

that this is only a temporary phenomenon and will soon come back to normal.

2. Ability to maintain operations including the factories/units/office spaces functioning and closed down

   a. All the manufacturing facilities & offices were shut down entirely during lockdown period of almost 40 days (starting from 24th March, 2020 to 3rd May, 2020).
   b. The Company has adopted work from home policy during the lockdown period.

3. Schedule, if any, for restarting the operations;

   a. Permission was received to start the manufacturing facility at Peenya Industrial Area and Narasapura Industrial Area with limited number of employees with effect from early May, 2020.
   b. The restart of operations has been slow due to various reasons such as restrictions on movement, lack of labour, strict restriction by societies on its members, a large number of areas under red zone, inter-state movement not allowed, etc.

4. Steps taken to ensure smooth functioning of operations.

   a. All safety protocol related to Covid-19 as advised by the Government are being implemented.
   b. The Company has issued safety guidelines for its employees and workers.
   c. Detailed shop-floor precautions & safety systems have been implemented with appropriate training to staff and workmen.
   d. Regular Fumigation of offices and shop floors is being carried out.
   e. Social distancing norms being strictly followed at factories and offices.
   f. Sanitization and thermal screening of employees, truck drivers, other entrants and sanitization of loading vehicles at the entry gate of factories.
   g. From the time of commencement of the lockdown, employees have been working from home and necessary office connectivity has been in place.
   h. With Government relaxing norms for Commercial establishment, all the offices have started functioning from May 4th after taking requisite permissions from local authorities with adequate safety protocols.
   i. All IT Security Protocols are in place and all systems are being monitored remotely.
   j. Laptops/Digital connectivity & e-mail for remote access granted to all concerned employees. This ensures that they are able to work from home effectively.
   k. The Company is making adequate provision for masks, sanitisers, facility

for hand washing and transportation (wherever needed) to its employees at its office(s).

5. Estimation of the future impact of COVID-19 on its operations

   a. It is difficult to estimate the definitive impact of Covid-19 on the operations of the Company beyond Q1 FY21 at this point of time.
   b. The Company is closely monitoring the developing situation arising out of COVID-19 and resultant restrictions imposed by the regulatory authorities.
   c. With the gradual phasing out of the lockdown going forward, the Company expects to see demand revival.

6. Details of impact of COVID- 19 on listed entity's

   a. Capital and financial resources
      i. The Company's Equity Capital structure remains unchanged.
      ii. The Company has taken steps to ensure adequacy of financial resources.
      iii. The Company presently has adequate capital and financial resources to run its business.

   b. Profitability;

      Q4 FY20

      i. The profitability of the Company for the quarter and financial year ended March 31, 2020 will definitely be impacted. However, the details of the same will be known after audit for the said period(s) is completed.

      Q1 FY21

      ii. In the last 2 months, the Company's operations have been impacted due to very low to insignificant sales during the first five weeks of lockdown and committed costs being incurred.
      iii. The Revenue and Profitability will also be impacted in line with the points mentioned in point 1 above.
      iv. Notwithstanding this the Company expects to mitigate the adverse impact by reducing various variable and fixed costs. A travel ban has been rolled until further notice and all recruitments have been stopped.
      v. The performance is expected to improve progressively in following periods as the demand recuperates.

c. Liquidity Position;

i. The Company has taken steps to ensure that it has adequate liquidity to meet its financial and other commitments

d. Ability to Service Debt and other Financing Arrangements;

i. The Company had approached the banks even before Covid-19 and is pursuing the same. The Company will also be availing the financial assistance from Bank as per the Covid-19 packages announced by Government of India.

e. Assets;

i. The Company has considered relevant internal and external sources of information to evaluate the impact on the Standalone and Consolidated Financial Statements for the financial year ended 31st March, 2020.

ii. The Company has assessed the recoverability of the assets including receivables, investments, property, plant and equipment, intangible assets, goodwill and have made necessary adjustments to the carrying amounts by recognizing provisions / impairment of assets where necessary.

iii. However, the actual impact may be different from that estimated as it will depend upon future developments and future actions to contain or treat the disease and mitigate its impact on the economy.

f. Internal Financial Reporting and Control;

i. There is no impact on internal financial controls due to the COVID-19 situation.

g. Supply Chain;

i. The supply chain was disrupted in view of lockdown in March, 2020 & April, 2020.

ii. However, the situation is improving gradually with Central and States relaxing lockdown norms.

iii. Production at downstream vendors end is also resuming gradually, and almost 100% of the suppliers are now operational. However, the suppliers' capacity is restricted as suppliers are facing challenges in terms of working capital, manpower availability, limited working hours, and adherence to Covid-19 safety norms.

iv. Distributors had no stocks, manufacturers were closed, transport was shut other than essential items could not be picked up or delivered,

stocks at distributors were selling at higher prices due to shortage & demand.

h. Demand for its products/services

   i. Demand very high for electronic equipment due to Work From Home (WFH) options given at various IT companies and Schools going digital by using Online or Video classes.
   ii. Unable to service these as prices have skyrocketed & unavailability of product.
   iii. Recycling contracts are yet to be finalized

i. Existing contracts/agreements where non-fulfillment of the obligations by any party will have significant impact on the listed entity's business.

   i. The Company is well positioned to fulfil its obligations and also does not foresee any significant impact on the business due to non-fulfilment of the obligations by any party however as said in point 1 there will be delays.

7. Whether loss/damage covered by insurance or not including amount;

   a. The impact of COVID-19 is not covered under Insurance.

8. Other relevant material updates about the listed entity's business

   a. The Company has been regular in updating the Stock Exchanges about its business.

Kindly treat this as compliance under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thanking you

Yours sincerely

For Cerebra Integrated Technologies Limited



Shridhar S Hegde
Whole Time Director