22nd June, 2020

BSE Limited
Corporate Relationship Dept.
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai-400001

Dear Sir/ Madam,

Sub.: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”)

We refer to our letter dated 25th March, 2020 whereby we had informed regarding shut down of our operations in the factories located at Puducherry, Faridabad, Bhimtal and Dehradun due to nationwide lockdown in view of COVID-19 pandemic. Further, we also refer to our letter dated 15th May, 2020 whereby we had informed regarding partial resumption of operations at our factories.

During the lockdown, the Company faced unprecedented challenges in its business operations, however, we have taken effective measures to resume operations. Pursuant to Regulation 30 of the Listing Regulations read with SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20th May, 2020, following are the brief details relating to the impact of COVID-19 and the resultant lockdown on the operations of the Company:

1. Impact of COVID-19 pandemic on business and Schedule, if any, for restarting operations:

The lockdown has impacted Company’s operations during April, 2020, May, 2020 and June-20. While the lockdown and restrictions imposed on various activities were necessary to contain the spread of COVID-19, it has impacted the business operations of the Company. Consequently, revenues and profitability have been adversely affected, in line with the industry. After the Central/ State Government Authorities eased the restrictions in phased manner, the Company sought permissions from the respective Authorities to resume operations. As on date, all the factories have received permissions and have started functioning.
2. Ability to maintain operations including the factories/ office spaces functioning and closed down:

All the factories are resuming operations gradually based on customer demand. The Company has started receiving orders from its customers. The Company has taken cash flow, capital expenditure and overhead control measures to smoothly manage Company’s operations.

The Company is following all requisite guidelines to adhere to the directives for COVID-19 management. It is ensuring the Standard Operating Procedure of social distancing, wearing of safety masks, sanitizing and washing hands, travel guidelines, thermal scanning, permissible number of employees per factory location and is taking preventive measures for health, hygiene, sanitation, etc. at workplace for safety and wellbeing of all workers and employees. It has encouraged and monitored to ensure that AarogyaSetu App is downloaded by its employees. The employees not attending office have been working from home. The Company is in touch with all the employees and receives regular updates about their and their family members health.

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

Considering the fact that the situation is exceptional and is changing dynamically, the Company is not in a position to gauge with certainty, the future impact on its operations. It is pertinent to note that Company’s business is more dependent upon orders being received from OEMs (Original Equipment Manufacturer) which gets triggered based on demand in the Consumer Durables sector. The Company is quite confident that the demand situation will pick up progressively. Accordingly, the Company is ready to adapt to the changing business environment and respond suitable to fulfill the customer’s needs.

4. Details of impact of COVID-19 on:

a. Capital and financial resources:
   The Company’s Capital and Financial facilities remain intact. However, due to lockdown, the sale of Company’s products was halted and consequently there was impact on inflow of cash.

b. Profitability:
   The Company had recorded profits during the first three quarters of the financial year 2019-20 as compared to the previous year, however, due to the unprecedented
pandemic, the profitability of the last quarter of the financial year 2019-20 was affected. Further, this impact has also continued in the first quarter of the current financial year and it is presumed to impact the remaining months of the current financial year 2020-21.

c. Liquidity position:
As the Company’s operations were shutdown, the liquidity position was highly impacted. The Company has availed moratorium from its lending Bank. Currently, the liquidity position may be under stress, however, it is hoped to be normal after improvement in business cycle.

d. Ability to service debt and other financing arrangements:
The Company has obtained Term Loan facility and Sales Invoice Discounting Facility from Kotak Mahindra Bank Limited. The Company has availed moratorium from its Bank as the cash flow position was adversely impacted due to lockdown.

e. Assets:
Due to COVID-19 lockdown, the Company has assessed the recoverability of the receivable, tangible and intangible assets and other financial and non-financial assets. The Company has considered internal and external information including economic forecasts available. The Company has performed sensitivity analysis on the assumptions used and based on such information and assessment the Company expects to recover the carrying amount of these assets. The Company will continue to closely monitor any material changes to future economic conditions.

f. Internal financial reporting and control:
The Company has taken Cash flow control and overhead control measures to manage the operations. Weekly review mechanism has been adopted to review the account receivables and this mechanism will continue ever after the lockdown.

g. Supply chain:
During lockdown, the Company was in constant touch with its customers and is working with them to mutually work together to propel the business forward. It has also carried out a risk assessment to ascertain any potential supply issues and as of now, it does not foresee any disruption in raw material supplies.

h. Demand for products/services:
As the Company supplies its products to OEM’s in Consumer Durable Sector, the demand for its products would improve after the lockdown restrictions are eased.
5. **Existing contracts/arrangements where non-fulfillment of the obligations by any party will have significant impact on the Company’s business:**

The Company is well positioned to fulfill its obligations and existing contract/arrangements.

The aforesaid update is dynamic and will change as the situation changes, which is not in the control of the Company.

We request you to take the aforesaid on record.

Thanking you,

Yours truly,

For Bright Brothers Limited

[Signed]

Sonal Pednekar
Company Secretary & Compliance Officer