



June 26, 2020

DGM - Corporate Relations
Bombay Stock Exchange Ltd
Phiroze Jeejeebhoy Towers
Dalal Street Mumbai - 400 001

The Listing Department
National Stock Exchange
Exchange Plaza
Plot No. C-1, Block G
Bandra - Kurla Complex Bandra (East)
Mumbai - 400 051

Dear Sirs,

Sub : Disclosure on the Impact of CoVID-19 on the Company

With reference to SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020, and Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith, disclosure on the impact of CoVID-19 on the Company.

This is for your information and records.

Yours faithfully,

For Tata Elxsi Limited

G. Vaidyanathan

General Counsel & Company Secretary

TATA ELXSI

Registered Office **Tata Elxsi Limited** ITPB Road Whitefield Bangalore 560 048 India

Tel +91 80 2297 9123 Fax +91 80 2841 1474

www.tataelxsi.com

(CIN-L85110KA1989PLC009968)



Impact of the CoVID-19 pandemic on the business

In these unprecedented times, Tata Elxsi's main focus has been to ensure safety of its employees and to safeguard the business interests of its customers and all other stakeholders.

In the past few months, we were forced to work in so many new ways and operating models at such a large scale within a short notice. We were agile and nimble in adapting to these changes. We were one of the first few companies to successfully transition to almost completely work from home (WFH) with more than 98% of our employees working from home during the nationwide lockdown. We did not let this large scale switch hamper any of our customer commitments. In fact, our customers have come back appreciating and thanking us for transitioning seamlessly with minimum or no disruptions whatsoever.

Ability to maintain operations including the units/office spaces functioning and closed down, Schedule, if any, for restarting the operations and Steps taken to ensure smooth functioning of operations

Our operations have continued predominantly through WFH since the nationwide lockdown. From May 2020 onwards, in line with central and state government guidelines, we had resumed operations from our offices across locations in a phased manner. We have put in place multiple safety measures at our offices including sanitization of premises, social distancing and mandatory temperature screening of employees. We now have around 15% of our employees working from office.

Estimation of the future impact of CoVID-19 on operations

The Covid-19 pandemic has adversely impacted global economic growth. Although we did see general sluggishness across all verticals at the end of last quarter/beginning of this quarter, our outlook is positive on growth in broadcast & communications and healthcare verticals based on the current visibility. We expect the transportation vertical to be impacted in the near term owing to muted sales and sales forecasts from OEMs leading to reduction in spends and deal deferrals across the transportation value chain.

Based on our current visibility and assessment, we expect the revenue for the current quarter to decline sequentially up to a low double-digit percentage, with a consequent lower PBT margins as compared to that reported in the previous quarter. We are striving to provide for a positive YoY revenue growth in the current quarter to aid speedy recovery on a full year basis.

Details of impact of CoVID-19 on listed entity's capital and financial resources, profitability, liquidity position, ability to service debt and other financing arrangements, assets, internal financial reporting and control, supply chain

Tata Elxsi has a robust debt-free balance sheet and a healthy liquidity position with cash and bank balances of INR 664.2 Cr as on March 31, 2020. Our employees are our assets and their wellbeing is our topmost priority therefore we decided not to undertake any retrenchments. We will also honour all job offers we had already made. But given the uncertain business environment, we have implemented various cost control measures including deferring salary hikes and limiting capex and discretionary spends to contain the impact on profitability and preserve adequate liquidity. The company does not foresee any impact of COVID-19 situation on internal financial controls. There is no significant impact on supply chain as well due to the current situation.

TATA ELXSI

Registered Office **Tata Elxsi Limited** ITPB Road Whitefield Bangalore 560 048 India

Tel +91 80 2297 9123 Fax +91 80 2841 1474

www.tataelxsi.com

(CIN-L85110KA1989PLC009968)



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

The Company is well positioned to fulfil its obligations and does not foresee any significant impact on the business due to non-fulfilment of the obligations by any party.

TATA ELXSI

Registered Office **Tata Elxsi Limited** ITPB Road Whitefield Bangalore 560 048 India

Tel +91 80 2297 9123 Fax +91 80 2841 1474

www.tataelxsi.com