



April 20, 2020

DGM – Corporate Relations
Bombay Stock Exchange Ltd.
Pharoses 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 Sir,

Audited Financial Results for the quarter and year ended March 31, 2020 and recommendation of dividend.

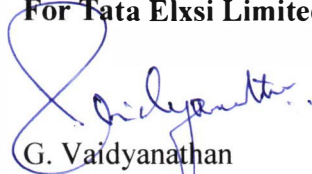
Please find enclosed the audited financial results of the Company in the prescribed format for the quarter and year ended March 31, 2020 under Ind AS, which were approved by the Board of Directors of the Company at their Meeting held today.

The Auditors' Report with unmodified opinion on the said financial statement is also attached herewith.

Further, we are pleased to inform that the Board of Directors has recommended a dividend of 165 % (Rs. 16.50 per share of Rs. 10 each) on the paid-up capital of the Company for the year ended March 31, 2020, subject to the approval of the members at the forthcoming Annual General Meeting of the Company.

You are requested to please take the same on record and confirm.

Yours faithfully,
For Tata Elxsi Limited



G. Vaidyanathan
Company Secretary

Encl: a/a

TATA ELXSI

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www.tataelxsi.com

(CIN-L85110KA1989PLC009968)

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020

₹ lakhs

Particulars	Quarter ended			Year ended	
	Mar 31, 2020	Dec 31, 2019	Mar 31, 2019	Mar 31, 2020	Mar 31, 2019
1 Income from operations					
(a) Revenue from operations	43,888.54	42,343.81	40,510.41	1,60,986.04	1,59,693.16
(b) Other income (Refer note 2 below)	1,338.93	2,052.46	1,498.78	5,841.25	4,346.16
Total income from operations (net)	45,227.47	44,396.27	42,009.19	1,66,827.29	1,64,039.32
2 Expenses					
(a) Purchases	2,143.60	2,167.65	3,198.69	8,112.51	10,056.19
(b) Changes in inventories of stock-in-trade	(87.22)	50.26	(166.23)	(4.97)	(166.23)
(c) Employee benefit expense	25,379.10	24,256.50	21,396.99	95,086.76	84,258.08
(d) Finance costs	144.28	144.33		556.26	-
(e) Depreciation and amortisation expense	1,078.82	1,121.75	669.24	4,341.34	2,509.65
(f) Other expenses	5,592.92	6,450.16	6,234.07	23,491.35	24,041.76
Total expenses	34,251.50	34,190.65	31,332.76	1,31,583.25	1,20,699.45
3 Profit before tax (1-2)	10,975.97	10,205.62	10,676.43	35,244.04	43,339.87
4 Tax expense					
a) Current tax	2,579.00	2,641.00	3,465.97	9,513.00	14,367.80
b) Deferred tax	188.80	22.61	81.13	121.03	(24.82)
Total tax	2,767.80	2,663.61	3,547.10	9,634.03	14,342.98
5 Net profit for the period / year (3-4)	8,208.17	7,542.01	7,129.33	25,610.01	28,996.89
6 Other comprehensive income/(loss)					
(i) items that will not be reclassified to profit or loss	(276.51)	35.46	(63.33)	(655.41)	(458.40)
(ii) Income tax relating to items that will not be reclassified to profit or loss	96.63	(12.39)	22.13	229.03	160.18
Total other comprehensive income/(loss), net of income tax	(179.88)	23.07	(41.20)	(426.38)	(298.22)
7 Total comprehensive income (5+6)	8,028.29	7,565.08	7,088.13	25,183.63	28,698.67
8 Paid-up equity share capital (face value ₹ 10/- each)	6,227.64	6,227.64	6,227.64	6,227.64	6,227.64
9 Reserves excluding revaluation reserves as per balance sheet of previous accounting year				1,02,775.89	88,047.63
10 Earnings per share					
- Basic EPS (₹)	13.18	12.11	11.45	41.12	46.56
- Diluted EPS (₹)	13.18	12.11	11.45	41.12	46.56

AUDITED SEGMENT WISE REVENUE AND RESULTS

₹ lakhs

Particulars	Quarter ended			Year ended	
	Mar 31, 2020	Dec 31, 2019	Mar 31, 2019	Mar 31, 2020	Mar 31, 2019
1 Segment revenue					
(a) Software development & services	42,782.30	40,980.62	38,894.26	1,56,278.24	1,54,313.33
(b) System integration & support services	1,106.24	1,363.19	1,616.15	4,707.80	5,379.83
Total	43,888.54	42,343.81	40,510.41	1,60,986.04	1,59,693.16
2 Segment results					
(a) Software development & services	11,962.09	11,183.30	10,987.19	40,963.38	45,590.46
(b) System integration & support services	123.77	201.81	347.89	592.82	923.20
Total	12,085.86	11,385.11	11,335.08	41,556.20	46,513.66
Less: Finance costs	144.28	144.33	-	556.26	-
Less: Unallocable expenditure (net of unallocable income)	965.61	1,035.16	658.65	5,755.90	3,173.79
Profit before tax	10,975.97	10,205.62	10,676.43	35,244.04	43,339.87
3 i) Segment assets					
(a) Software development & services	69,035.66	58,657.91	54,239.86	69,035.66	54,239.86
(b) System integration & support services	1,371.74	1,442.24	1,915.11	1,371.74	1,915.11
(c) Unallocable assets	68,490.74	68,310.58	58,183.91	68,490.74	58,183.91
Total	1,38,898.14	1,28,410.73	1,14,338.88	1,38,898.14	1,14,338.88
ii) Segment liabilities					
(a) Software development & services	22,168.44	20,452.87	12,683.88	22,168.44	12,683.88
(b) System integration & support services	747.63	921.11	1,125.11	747.63	1,125.11
(c) Unallocable liabilities	6,978.54	6,061.51	6,254.62	6,978.54	6,254.62
Total	29,894.61	27,435.49	20,063.61	29,894.61	20,063.61

Notes on segment information

Business segments

The company is structured into two industry verticals- software development & services and system integration & support services. Accordingly, the information has been presented along these business segments.

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020

AUDITED BALANCE SHEET AS AT MARCH 31, 2020

Particulars	₹ lakhs	
	As at Mar 31, 2020	As at Mar 31, 2019
ASSETS		
Non-current assets		
(a) Property, plant and equipment	8,229.25	8,724.93
(b) Capital work-in-progress	91.31	44.75
(c) Right of use assets	5,183.27	-
(d) Intangible assets	1,293.49	1,393.79
(e) Financial assets		
(i) Investments *	-	-
(ii) Loans receivable	1,682.70	1,514.17
(f) Deferred tax assets (net)	876.83	597.00
(g) Other assets	341.20	255.49
(h) Tax assets (net)	1,079.83	1,008.23
Total non-current assets	18,777.88	13,538.36
Current assets		
(a) Inventories	171.20	166.23
(b) Financial assets		
(i) Trade receivables	39,238.07	35,654.12
(ii) Cash and cash equivalents	22,842.45	5,371.04
(iii) Other bank balances	43,580.02	46,210.42
(iv) Loans	89.37	75.83
(v) Other financial assets	8,440.70	6,397.13
(c) Other assets	5,758.45	6,925.75
Total current assets	1,20,120.26	1,00,800.52
TOTAL ASSETS	1,38,898.14	1,14,338.88
EQUITY AND LIABILITIES		
Equity		
(a) Share capital	6,227.64	6,227.64
(b) Other equity	1,02,775.89	88,047.63
Total equity	1,09,003.53	94,275.27
Liabilities		
Non-current liabilities		
(a) Provisions	3,655.98	1,242.12
(b) Financial liabilities		
(i) Borrowing - Lease liabilities	4,501.39	-
Total non-current liabilities	8,157.37	1,242.12
Current liabilities		
(a) Financial liabilities		
(i) Borrowing - Lease liabilities	1,325.66	-
(ii) Trade payables	-	-
a) Dues of micro, small and medium enterprises	-	-
b) Dues of creditors other than micro, small and medium enterprises	4,713.20	5,549.53
(iii) Other financial liabilities	4,669.41	4,535.48
(b) Other liabilities	7,649.87	6,145.23
(c) Provisions	1,006.42	835.40
(d) Tax liabilities (net)	2,372.68	1,755.85
Total current liabilities	21,737.24	18,821.49
TOTAL EQUITY AND LIABILITIES	1,38,898.14	1,14,338.88

* value is less than a lakh

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020

STATEMENT OF CASH FLOW

	₹ lakhs	
	For the year ended March 31, 2020	For the year ended March 31, 2019
A. Cash flows from operating activities		
Profit for the year	25,610.01	28,996.89
Adjustment for:		
Income tax expense recognised in profit and loss	9,634.03	14,342.98
Depreciation and amortisation	4,341.34	2,509.65
Interest income recognised in profit and loss	(3,311.14)	(2,840.74)
Finance costs	556.26	-
Bad debts written off	31.08	41.72
Provision for doubtful debts	227.77	16.18
Loss/(Profit) on sale of assets	(2.72)	(13.66)
Net loss / (gain) arising on financial assets mandatorily measured at fair	631.24	(317.32)
Net unrealised exchange (gains)	(1,202.74)	756.70
Operating profit before working capital changes	36,515.13	43,492.40
Movement in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Loans	(13.54)	7.87
Unbilled revenue	(2,513.12)	1,958.35
Other financial assets	(506.39)	(60.74)
Other assets	1,390.65	(4,208.19)
Inventories	(4.97)	(166.23)
Trade receivables	(3,156.66)	(5,581.31)
Adjustments for increase / (decrease) in operating liabilities:		
Provisions	2,584.88	415.30
Trade payables	(890.27)	1,225.69
Other financial liabilities	358.73	(1,150.32)
Other liabilities	849.23	(161.88)
Cash generated from operations	34,613.67	35,770.94
Income tax paid (net)	(8,967.77)	(14,276.02)
Net Cash generated from operating activities - (A)	25,645.90	21,494.92
B. Cash flows from investing activities		
Purchase of property, plant and equipment and intangibles	(2,310.76)	(3,151.56)
Proceeds from sale of property, plant and equipment and intangibles	21.91	16.67
Fixed deposit with banks having original maturity over 3 months, net	2,699.97	(15,000.02)
Interest received	3,487.31	2,260.19
Net Cash generated from/used in investing activities - (B)	3,898.43	(15,874.72)
C. Cash flows from financing activities		
Payment of lease liability	(2,235.80)	-
Dividend including dividend tax paid	(10,205.04)	(8,258.53)
Net Cash used in financing activities - (C)	(12,440.84)	(8,258.53)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	17,103.49	(2,638.33)
Cash and cash equivalents as at beginning of the year	5,371.04	8,321.01
Effects of exchange rate changes on the balances of cash and cash equivalents held in foreign currencies	267.92	(311.64)
Cash and cash equivalents as at end of the year	22,842.45	5,371.04

VS

TATA ELXSI LIMITED

CIN: L85110KA1989PLC009968

Regd. Office: ITPB Road, Whitefield, Bengaluru - 560 048

email:investors@tataelxsi.com

www.tataelxsi.com

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020

Notes:

- 1 These results have been prepared on the basis of the audited financial statements for the year ended March 31, 2020 and the audited interim financial results up to the end of the third quarter, which are prepared in accordance with the Ind AS notified under Companies (Indian Accounting Standards) Rules 2015. These results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on April 20, 2020. The statutory auditors have expressed an unmodified audit opinion on these results.
- 2 Other income includes:
- | | Quarter ended | | | Year ended | |
|------------------------|---------------|--------------|--------------|--------------|--------------|
| | Mar 31, 2020 | Dec 31, 2019 | Mar 31, 2019 | Mar 31, 2020 | Mar 31, 2019 |
| Exchange gain / (loss) | 276.47 | 1,126.82 | 60.60 | 1,290.11 | 349.43 |
- 3 Dividend at ₹ 16.50 p per share for 2019-20 has been recommended by the Board of Directors.
- 4 Effective April 1, 2019, the Company adopted Ind AS 116 "Leases", applied to its leases contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, the Company has not restated comparative information.
- 5 During the year, the board has approved for special retiral benefits to the Managing Director who retired in October 2019. Accordingly, the Company has made a provision of ₹ 2,163 lakhs towards future pension and medical benefits payable by giving corresponding charge in the statement of profit and loss under employee benefit expense.
- 6 The results of the Company for the quarter and year ended March 31, 2020 are available on the Company's website - www.tataelxsi.com

By Order of the Board
for TATA ELXSI LIMITED

 Manoj Raghavan
 Managing Director
 DIN: 0008458315

Bengaluru, April 20, 2020

B S R & Co. LLP

Chartered Accountants

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Pebble Beach, B Block, 3rd Floor
Off Intermediate Ring Road
Bengaluru 560 071 India

Telephone +91 80 4682 3000
Fax +91 80 4682 3999

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF TATA ELXSI LIMITED

Report on the audit of the Annual Financial Results

Opinion

We have audited the accompanying annual financial results of Tata Elxsi Limited (hereinafter referred to as the "Company") for the year ended 31 March 2020, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid annual financial results:

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit and other comprehensive income- and other financial information for the year ended 31 March 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Results section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our opinion on the annual financial results.

Management's and Board of Directors' Responsibilities for the Annual Financial Results

These annual financial results have been prepared on the basis of the annual financial statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these annual financial results that give a true and fair view of the net profit/ loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT (continued)

In preparing the annual financial results, the Management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process

Auditor's Responsibilities for the Audit of the Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial results, including the disclosures, and whether the annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

The annual financial results include the results for the quarter ended 31 March 2020 being the balancing figure between the audited figures in respect of the full financial year and the published audited year to date figures up to the third quarter of the current financial year.

for B S R & Co LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

SANJAY Digitally signed by
SANJAY SHARMA
SHARMA Date: 2020.04.20
12:46:33 +05'30'

Sanjay Sharma

Partner

Membership Number: 063980

UDIN: 20063980AAAABX7808

Place: Bengaluru

Date: 20 April 2020