



January 13, 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 Sirs,

**Audited Financial Results for the quarter and nine months ended December 31, 2019**

Please find enclosed the audited financial results of the Company in the prescribed format for the quarter and nine months ended December 31, 2019 under Ind AS, which were approved and taken on record by the Board of Directors of the Company at their Meeting held today.

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

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

Yours faithfully,  
**For Tata Elxsi Limited**

G. Vaidyanathan  
**General Counsel & Company Secretary**

Encl: a/a

## 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 TO DATE FOR THE PERIOD FROM APRIL 1, 2019 TO DECEMBER 31, 2019

₹ lakhs

Particulars	Quarter ended			Year to date for the period from		Year ended
	Dec 31, 2019	Sep 30, 2019	Dec 31, 2018	Apr 1, 2019 to Dec 31, 2019	Apr 1, 2018 to Dec 31, 2018	Mar 31, 2019
<b>1 Income from operations</b>						
(a) Revenue from operations	42,343.81	38,582.67	40,700.86	1,17,097.50	1,19,182.75	1,59,693.16
(b) Other income (Refer note 2)	2,052.46	1,239.16	(269.26)	4,502.32	2,847.38	4,346.16
<b>Total income from operations (net)</b>	<b>44,396.27</b>	<b>39,821.83</b>	<b>40,431.60</b>	<b>1,21,599.82</b>	<b>1,22,030.13</b>	<b>1,64,039.32</b>
<b>2 Expenses</b>						
(a) Purchases	2,167.65	2,323.29	2,316.27	5,968.91	6,857.50	10,056.19
(b) Changes in inventories of stock-in-trade	50.26	(15.35)	-	82.25	-	(166.23)
(c) Employee benefit expense (Refer note 4)	24,256.50	23,699.36	21,806.88	69,707.66	62,861.09	84,258.08
(d) Finance costs	144.33	135.54	-	411.98	-	-
(e) Depreciation and amortisation expense	1,121.75	1,096.04	621.74	3,262.52	1,840.41	2,509.65
(f) Other expenses	6,450.16	5,539.41	6,245.23	17,898.43	17,807.69	24,041.76
<b>Total expenses</b>	<b>34,190.65</b>	<b>32,778.29</b>	<b>30,990.12</b>	<b>97,331.75</b>	<b>89,366.69</b>	<b>1,20,699.45</b>
<b>3 Profit before tax (1-2)</b>	<b>10,205.62</b>	<b>7,043.54</b>	<b>9,441.48</b>	<b>24,268.07</b>	<b>32,663.44</b>	<b>43,339.87</b>
<b>4 Tax expense</b>						
a) Current tax	2,641.00	2,050.00	2,831.00	6,934.00	10,901.83	14,367.80
b) Deferred tax	22.61	13.03	11.08	(67.77)	(105.95)	(24.82)
<b>Total tax</b>	<b>2,663.61</b>	<b>2,063.03</b>	<b>2,842.08</b>	<b>6,866.23</b>	<b>10,795.88</b>	<b>14,342.98</b>
<b>5 Net profit for the period / year (3-4)</b>	<b>7,542.01</b>	<b>4,980.51</b>	<b>6,599.40</b>	<b>17,401.84</b>	<b>21,867.56</b>	<b>28,996.89</b>
<b>6 Other comprehensive income / (losses)</b>						
(i) items that will not be reclassified to profit or loss	35.46	(283.40)	(134.75)	(378.90)	(395.07)	(458.40)
(ii) Income tax relating to items that will not be reclassified to profit or loss	(12.39)	99.03	47.08	132.40	138.05	160.18
<b>Total other comprehensive income / (losses)</b>	<b>23.07</b>	<b>(184.37)</b>	<b>(87.67)</b>	<b>(246.50)</b>	<b>(257.02)</b>	<b>(298.22)</b>
<b>7 Total comprehensive income (5+6)</b>	<b>7,565.08</b>	<b>4,796.14</b>	<b>6,511.73</b>	<b>17,155.34</b>	<b>21,610.54</b>	<b>28,698.67</b>
<b>8 Paid-up equity share capital (face value ₹ 10/- each)</b>	6,227.64	6,227.64	6,227.64	6,227.64	6,227.64	6,227.64
<b>9 Reserves excluding revaluation reserves as per balance sheet of previous accounting year</b>						88,047.63
<b>10 Earnings per share (Refer note 5)</b>						
- Basic EPS (₹)	12.11	8.00	10.60	27.94	35.11	46.56
- Diluted EPS (₹)	12.11	8.00	10.60	27.94	35.11	46.56

## AUDITED SEGMENT WISE REVENUE AND RESULTS

₹ lakhs

Particulars	Quarter ended			Year to date for the period from		Year ended
	Dec 31, 2019	Sep 30, 2019	Dec 31, 2018	Apr 1, 2019 to Dec 31, 2019	Apr 1, 2018 to Dec 31, 2018	Mar 31, 2019
<b>1 Segment revenue</b>						
(a) Software development & services	40,980.62	37,323.75	39,351.59	1,13,495.94	1,15,419.07	1,54,313.33
(b) System integration & support services	1,363.19	1,258.92	1,349.27	3,601.56	3,763.68	5,379.83
<b>Total</b>	<b>42,343.81</b>	<b>38,582.67</b>	<b>40,700.86</b>	<b>1,17,097.50</b>	<b>1,19,182.75</b>	<b>1,59,693.16</b>
<b>2 Segment results</b>						
(a) Software development & services	11,183.30	9,981.05	10,118.93	29,001.29	34,603.27	45,590.46
(b) System integration & support services	201.81	248.12	237.30	469.05	575.31	923.20
<b>Total</b>	<b>11,385.11</b>	<b>10,229.17</b>	<b>10,356.23</b>	<b>29,470.34</b>	<b>35,178.58</b>	<b>46,513.66</b>
Less: Finance costs	144.33	135.54	-	411.98	-	-
Less: Unallocable expenditure (net of unallocable income)	1,035.16	3,050.09	914.75	4,790.29	2,515.14	3,173.79
<b>Profit before tax</b>	<b>10,205.62</b>	<b>7,043.54</b>	<b>9,441.48</b>	<b>24,268.07</b>	<b>32,663.44</b>	<b>43,339.87</b>
<b>3 i) Segment assets</b>						
(a) Software development & services	58,657.91	55,635.23	51,667.77	58,657.91	51,667.77	54,239.86
(b) System integration & support services	1,442.24	1,883.24	1,397.39	1,442.24	1,397.39	1,915.11
(c) Unallocable assets	68,310.58	61,398.56	54,449.09	68,310.58	54,449.09	58,183.91
<b>Total</b>	<b>1,28,410.73</b>	<b>1,18,917.03</b>	<b>1,07,514.25</b>	<b>1,28,410.73</b>	<b>1,07,514.25</b>	<b>1,14,338.88</b>
<b>ii) Segment liabilities</b>						
(a) Software development & services	20,452.87	19,003.86	12,658.43	20,452.87	12,658.43	12,683.88
(b) System integration & support services	921.11	1,049.77	1,095.49	921.11	1,095.49	1,125.11
(c) Unallocable liabilities	6,061.51	5,453.24	6,573.18	6,061.51	6,573.18	6,254.62
<b>Total</b>	<b>27,435.49</b>	<b>25,506.87</b>	<b>20,327.10</b>	<b>27,435.49</b>	<b>20,327.10</b>	<b>20,063.61</b>

## 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.



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**STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR TO DATE FOR THE PERIOD FROM APRIL 1, 2019 TO DECEMBER 31, 2019**

**Notes:**

1 These results have been 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 January 13, 2020. The statutory auditors have expressed an unmodified audit opinion on these results.

2 Other income includes:

₹ lakhs

	Quarter ended			Year to date for the period from		Year ended
	Dec 31, 2019	Sep 30, 2019	Dec 31, 2018	Apr 1, 2019 to Dec 31, 2019	Apr 1, 2018 to Dec 31, 2018	Mar 31, 2019
Exchange gain / (loss)	1,126.82	(1.72)	(1,175.72)	1,013.64	288.83	349.43

3 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.

4 During the quarter ended September 30, 2019, the board had approved for special retiral benefits payable to the Managing Director who retired in October 2019. Accordingly, the Company had accrued ₹ 2,163 lakhs of pension liability by giving corresponding charge in the statement of profit and loss under employee benefit expense.

5 The earnings per share (basic and diluted) for the interim periods have not been annualised.

6 The results of the Company for the quarter ended December 31, 2019 are available on the Company's website - www.tataelxsi.com

7 Previous periods/ year's figures have been regrouped wherever necessary.

By Order of the Board  
for TATA ELXSI LIMITED

  
Manoj Raghavan  
Managing Director  
DIN: 0008458315

Bengaluru, January 13, 2020





# B S R & Co. LLP

Chartered Accountants

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## INDEPENDENT AUDITOR'S REPORT

### TO THE BOARD OF DIRECTORS OF TATA ELXSI LIMITED

#### Report on the audit of the Financial Results

##### Opinion

We have audited the accompanying quarterly financial results of Tata Elxsi Limited ("the company") for the quarter ended 31 December 2019 and the year to date results for the period from 1 April 2019 to 31 December 2019 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 these financial results:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information for the quarter ended 31 December 2019 as well as the year to date results for the period from 1 April 2019 to 31 December 2019.

##### 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 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 results 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.



## **INDEPENDENT AUDITOR'S REPORT (continued)**

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

These quarterly financial results as well as the year to date financial results have been prepared on the basis of the Condensed interim Ind AS financial statements. The Company's Management and Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' 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 design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Results**

Our objectives are to obtain reasonable assurance about whether the 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 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 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.





**INDEPENDENT AUDITOR'S REPORT (continued)**

**Auditor's Responsibilities for the Audit of the Financial Results (continued)**

- Conclude on the appropriateness of the 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 Company's ability to continue as a going concern. 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 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 financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

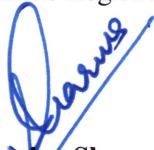
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

*for* **B S R & Co LLP**

*Chartered Accountants*

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



**Sanjay Sharma**

*Partner*

Membership Number: 063980

UDIN: 20063980AAAAAA2012

Place: Bengaluru

Date: 13 January 2020