



October 14, 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 Sir,

**Audited Financial Results for the quarter and half year ended September 30, 2020.**

Please find enclosed, the audited financial results of the Company in the prescribed format for the quarter and half year ended September 30, 2020 under Ind AS, which were approved and taken on record by the Board of Directors of the Company at their Meeting held today - October 14, 2020.

The Auditors' Report with unmodified opinion on the said financial statement 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**

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[www.tataelxsi.com](http://www.tataelxsi.com)

(CIN-L85110KA1989PLC009968)

**STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR TO DATE FOR THE PERIOD FROM APRIL 1, 2020 TO SEPTEMBER 30, 2020**

₹ lakhs

Particulars	Quarter ended			Year to date for the period from		Year ended Mar 31, 2020
	Sep 30, 2020	Jun 30, 2020	Sep 30, 2019	Apr 1, 2020 to Sep 30, 2020	Apr 1, 2019 to Sep 30, 2019	
<b>1 Income from operations</b>						
(a) Revenue from operations	43,017.91	40,048.77	38,582.67	83,066.68	74,753.69	1,60,986.04
(b) Other income (Refer note 2)	440.73	1,344.87	1,239.16	1,785.60	2,449.86	5,841.25
<b>Total income from operations (net)</b>	<b>43,458.64</b>	<b>41,393.64</b>	<b>39,821.83</b>	<b>84,852.28</b>	<b>77,203.55</b>	<b>1,66,827.29</b>
<b>2 Expenses</b>						
(a) Purchases	1,825.99	1,440.80	2,323.29	3,266.79	3,801.26	8,112.51
(b) Changes in inventories of stock-in-trade	80.27	90.93	(15.35)	171.20	31.99	(4.97)
(c) Employee benefit expense	24,588.56	25,096.29	23,699.36	49,684.85	45,451.16	95,086.76
(d) Finance costs	130.11	138.58	135.54	268.69	267.65	556.26
(e) Depreciation and amortisation expense	1,120.56	1,082.41	1,096.04	2,202.97	2,140.77	4,341.34
(f) Other expenses	4,717.99	4,149.71	5,539.41	8,867.70	11,448.27	23,491.35
<b>Total expenses</b>	<b>32,463.48</b>	<b>31,998.72</b>	<b>32,778.29</b>	<b>64,462.20</b>	<b>63,141.10</b>	<b>1,31,583.25</b>
<b>3 Profit before tax (1-2)</b>	<b>10,995.16</b>	<b>9,394.92</b>	<b>7,043.54</b>	<b>20,390.08</b>	<b>14,062.45</b>	<b>35,244.04</b>
<b>4 Tax expense</b>						
a) Current tax	3,133.00	2,623.00	2,050.00	5,756.00	4,293.00	9,513.00
b) Deferred tax	(25.75)	(115.38)	13.03	(141.13)	(90.38)	121.03
<b>Total tax</b>	<b>3,107.25</b>	<b>2,507.62</b>	<b>2,063.03</b>	<b>5,614.87</b>	<b>4,202.62</b>	<b>9,634.03</b>
<b>5 Net profit for the period / year (3-4)</b>	<b>7,887.91</b>	<b>6,887.30</b>	<b>4,980.51</b>	<b>14,775.21</b>	<b>9,859.83</b>	<b>25,610.01</b>
<b>6 Other comprehensive income / (losses)</b>						
(i) items that will not be reclassified to profit or loss	59.37	(204.95)	(283.40)	(145.58)	(414.36)	(655.41)
(ii) Income tax relating to items that will not be reclassified to profit or loss	(20.75)	71.62	99.03	50.87	144.79	229.03
<b>Total other comprehensive income / (losses)</b>	<b>38.62</b>	<b>(133.33)</b>	<b>(184.37)</b>	<b>(94.71)</b>	<b>(269.57)</b>	<b>(426.38)</b>
<b>7 Total comprehensive income (5+6)</b>	<b>7,926.53</b>	<b>6,753.97</b>	<b>4,796.14</b>	<b>14,680.50</b>	<b>9,590.26</b>	<b>25,183.63</b>
<b>8 Paid-up equity share capital (face value ₹ 10/- each)</b>	<b>6,227.64</b>	<b>6,227.64</b>	<b>6,227.64</b>	<b>6,227.64</b>	<b>6,227.64</b>	<b>6,227.64</b>
<b>9 Reserves excluding revaluation reserves as per balance sheet of previous accounting year</b>						<b>1,02,775.89</b>
<b>10 Earnings per share</b>						
- Basic EPS (₹)	12.67	11.06	8.00	23.73	15.83	41.12
- Diluted EPS (₹)	12.67	11.06	8.00	23.73	15.83	41.12

**AUDITED SEGMENT WISE REVENUE AND RESULTS**

₹ lakhs

Particulars	Quarter ended			Year to date for the period from		Year ended Mar 31, 2020
	Sep 30, 2020	Jun 30, 2020	Sep 30, 2019	Apr 1, 2020 to Sep 30, 2020	Apr 1, 2019 to Sep 30, 2019	
<b>1 Segment revenue</b>						
(a) Software development & services	42,052.54	39,042.39	37,323.75	81,094.93	72,515.32	1,56,278.24
(b) System integration & support services	965.37	1,006.38	1,258.92	1,971.75	2,238.37	4,707.80
<b>Total</b>	<b>43,017.91</b>	<b>40,048.77</b>	<b>38,582.67</b>	<b>83,066.68</b>	<b>74,753.69</b>	<b>1,60,986.04</b>
<b>2 Segment results</b>						
(a) Software development & services	12,163.96	10,103.68	9,981.05	22,267.64	17,817.99	40,963.38
(b) System integration & support services	41.05	(60.98)	248.12	(19.93)	267.24	592.82
<b>Total</b>	<b>12,205.01</b>	<b>10,042.70</b>	<b>10,229.17</b>	<b>22,247.71</b>	<b>18,085.23</b>	<b>41,556.20</b>
Less: Finance costs	130.11	138.58	135.54	268.69	267.65	556.26
Less: Unallocable expenditure (net of unallocable income)	1,079.74	509.20	3,050.09	1,588.94	3,755.13	5,755.90
<b>Profit before tax</b>	<b>10,995.16</b>	<b>9,394.92</b>	<b>7,043.54</b>	<b>20,390.08</b>	<b>14,062.45</b>	<b>35,244.04</b>
<b>3 i) Segment assets</b>						
(a) Software development & services	59,579.90	62,868.38	55,635.23	59,579.90	55,635.23	69,035.66
(b) System integration & support services	1,931.89	1,909.56	1,883.24	1,931.89	1,883.24	1,371.74
(c) Unallocable assets	81,301.72	82,688.41	61,398.56	81,301.72	61,398.56	68,490.74
<b>Total</b>	<b>1,42,813.51</b>	<b>1,47,466.35</b>	<b>1,18,917.03</b>	<b>1,42,813.51</b>	<b>1,18,917.03</b>	<b>1,38,898.14</b>
<b>ii) Segment liabilities</b>						
(a) Software development & services	20,603.92	21,068.26	19,003.86	20,603.92	19,003.86	22,168.44
(b) System integration & support services	784.82	753.43	1,049.77	784.82	1,049.77	747.63
(c) Unallocable liabilities	8,016.35	9,887.16	5,453.24	8,016.35	5,453.24	6,978.54
<b>Total</b>	<b>29,405.09</b>	<b>31,708.85</b>	<b>25,506.87</b>	<b>29,405.09</b>	<b>25,506.87</b>	<b>29,894.61</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.



STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR TO DATE FOR THE PERIOD FROM APRIL 1, 2020 TO SEPTEMBER 30, 2020

AUDITED BALANCE SHEET AS AT SEPTEMBER 30, 2020

Particulars	₹ lakhs	
	As at Sep 30, 2020	As at Mar 31, 2020
<b>ASSETS</b>		
<b>Non-current assets</b>		
(a) Property, plant and equipment	8,094.43	8,229.25
(b) Capital work-in-progress	171.14	91.31
(c) Right of use assets	4,701.86	5,183.27
(d) Intangible assets	1,301.24	1,293.49
(e) Financial assets	-	-
(i) Investments *	-	-
(ii) Loans Receivables	1,799.94	1,682.70
(f) Deferred tax assets (net)	1,068.83	876.83
(g) Other assets	310.63	341.20
(h) Tax assets (net)	1,079.83	1,079.83
<b>Total non-current assets</b>	<b>18,527.90</b>	<b>18,777.88</b>
<b>Current assets</b>		
(a) Inventories	-	171.20
(b) Financial assets		
(i) Trade receivables	35,853.61	39,238.07
(ii) Cash and cash equivalents	9,753.29	22,842.45
(iii) Other bank balances	64,186.13	43,580.02
(iv) Loans	79.01	89.37
(v) Other financial assets	8,342.39	8,440.70
(c) Tax assets (net)	-	-
(d) Other assets	6,071.18	5,758.45
<b>Total current assets</b>	<b>1,24,285.61</b>	<b>1,20,120.26</b>
<b>TOTAL ASSETS</b>	<b>1,42,813.51</b>	<b>1,38,898.14</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Share capital	6,227.64	6,227.64
(b) Other equity	1,07,180.78	1,02,775.89
<b>Total equity</b>	<b>1,13,408.42</b>	<b>1,09,003.53</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
(a) Provisions	3,853.98	3,655.98
(b) Financial liabilities		
(i) Borrowing - Lease liabilities	4,355.51	4,501.39
<b>Total non-current liabilities</b>	<b>8,209.49</b>	<b>8,157.37</b>
<b>Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowing - Lease liabilities	1,053.02	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	4,279.39	4,713.20
(iii) Other financial liabilities	4,234.05	4,669.41
(b) Other liabilities	7,330.24	7,649.87
(c) Provisions	1,164.19	1,006.42
(d) Tax liabilities (net)	3,134.71	2,372.68
<b>Total current liabilities</b>	<b>21,195.60</b>	<b>21,737.24</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,42,813.51</b>	<b>1,38,898.14</b>

\* value is less than a lakh



**STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR TO DATE FOR THE PERIOD FROM APRIL 1, 2020 TO SEPTEMBER 30, 2020**

AUDITED STATEMENT OF CASH FLOW		
	₹ lakhs	
	For the period ended	
	Sep 30, 2020	Sep 30, 2019
<b>A. Cash flows from operating activities</b>		
<b>Profit for the period</b>	14,775.21	9,859.83
Adjustment for:		
Income tax expense recognised in profit and loss	5,614.87	4,202.62
Depreciation and amortisation	2,202.97	2,140.77
Interest income recognised in profit and loss	(1,425.33)	(1,678.25)
Finance costs	268.69	267.65
Bad debts written off	669.31	4.47
Provision for doubtful debts	12.74	241.08
Loss on sale of assets	1.43	2.29
Net (gain) / loss arising on financial assets mandatorily measured at fair value through profit and loss	(424.32)	278.72
Net unrealised exchange loss/ (gains)	854.21	(160.46)
Operating profit before working capital changes	22,549.78	15,158.72
Movement in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Loans	10.36	11.64
Unbilled revenue	216.40	(160.14)
Other financial assets	282.61	(14.80)
Other assets	(368.63)	(1,590.43)
Inventories	171.20	31.99
Trade receivables	2,037.78	1,938.73
Provisions	355.77	2,647.39
Trade payables	(572.27)	(974.80)
Other financial liabilities	(593.16)	(761.55)
Other liabilities	(465.21)	(435.46)
Cash generated from operations	23,624.63	15,851.29
Income tax paid (net)	(4,993.97)	(6,380.66)
<b>Cash generated from operating activities - (A)</b>	<b>18,630.66</b>	<b>9,470.63</b>
<b>B. Cash flows from investing activities</b>		
Purchase of property, plant and equipment and intangibles	(935.66)	(1,112.37)
Proceeds from sale of property, plant and equipment and intangibles	0.59	-
Fixed deposit with banks having original maturity over 3 months , net	(20,500.00)	3,200.00
Interest received	1,331.71	1,749.67
<b>Cash (used in)/generated from investing activities - (B)</b>	<b>(20,103.36)</b>	<b>3,837.30</b>
<b>C. Cash flows from financing activities</b>		
Payment of lease liability	(1,166.56)	(1,075.91)
Dividend including dividend tax paid	(10,381.72)	(10,207.01)
<b>Cash used in financing activities - (C)</b>	<b>(11,548.28)</b>	<b>(11,282.92)</b>
<b>Net (decrease)/ increase in cash and cash equivalents (A+B+C)</b>	<b>(13,020.98)</b>	<b>2,025.01</b>
Cash and cash equivalents as at beginning of the period	22,842.45	5,371.04
Effects of exchange rate changes on the balances of cash and cash equivalents held in foreign currencies	(68.18)	(9.71)
<b>Cash and cash equivalents as at end of the period</b>	<b>9,753.29</b>	<b>7,386.34</b>



STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR TO DATE FOR THE PERIOD FROM APRIL 1, 2020 TO SEPTEMBER 30, 2020

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 October 14, 2020. The statutory auditors have expressed an unmodified audit opinion on these results.

2 Other income includes:

	Quarter ended			Year to date for the period from		Year ended
	Sep 30, 2020	Jun 30, 2020	Sep 30, 2019	Apr 1, 2020 to Sep 30, 2020	Apr 1, 2019 to Sep 30, 2019	Mar 31, 2020
Exchange gain / (loss)	(193.88)	455.10	(1.72)	261.22	(113.18)	1,290.11

3 On April 20, 2020 the Board of Directors of the Company had proposed a final dividend of ₹ 16.50 per equity share in respect of the year ended March 31, 2020. The same has been approved by shareholders at the Annual General meeting held on July 21, 2020. Accordingly, during the quarter ended September 30, 2020 the Company has paid total dividend of ₹ 16.50 per equity share.

4 Impact of COVID-19

The Company has considered the probable effects of COVID-19 in preparation of the interim financial results/financial statements, on matters like assessment of liquidity, going concern assumption, recoverable values of its financial and non-financial assets, impact on revenues etc. The Company has relied on internal and certain external sources of information like credit reports, economic forecasts and industry reports and expects to recover the carrying amount of its assets. The impact of COVID-19 on the condensed interim financial results may differ from that estimated as at the date of approval of condensed interim financial results/ financial statements

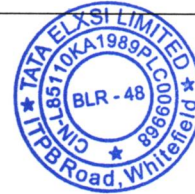
5 The earnings per share (basic and diluted) for the interim periods have not been annualised.

6 The results of the Company for the quarter ended September 30, 2020 are available on the Company's website - www.ataelxsi.com

By Order of the Board  
for TATA ELXSI LIMITED

  
Manoj Raghavan  
Managing Director  
DIN: 0008458315

Bengaluru, October 14, 2020



# B S R & Co. LLP

Chartered Accountants

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Pebble Beach, B Block, 3<sup>rd</sup> Floor,  
Off Intermediate Ring Road,  
Bangaluru-560 071 India

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## INDEPENDENT AUDITORS' REPORT

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

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

#### Opinion

We have audited the accompanying interim financial results of Tata Elxsi Limited ("the company") for the quarter ended September 30, 2020 and the year to date results for the period from April 1, 2020 to September 30, 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 these interim 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 September 30, 2020 as well as the year to date results for the period from April 1, 2020 to September 30, 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 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 interim 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.

## **B S R & Co. LLP**

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

These interim 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 interim 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 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 interim financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the interim 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 Interim Financial Results**

Our objectives are to obtain reasonable assurance about whether the interim 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 interim 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 interim 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.

## **B S R & Co. LLP**

### **Auditor's Responsibilities for the Audit of the Interim 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 interim 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 interim financial results, including the disclosures, and whether the interim 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** Digitally signed  
by SANJAY  
SHARMA  
**SHARMA** Date: 2020.10.14  
15:31:31 +05'30'

**Sanjay Sharma**

*Partner*

Membership No.: 063980

UDIN: 20063980AAAAEU5746

Place: Bengaluru

Date: October 14, 2020