



January 25, 2023

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,

**Sub: Audited Financial Results for the quarter and period ended December 31, 2022.**

Please find enclosed, the audited financial results of the Company in the prescribed format for the quarter and period ended December 31, 2022, which were approved and taken on record by the Board of Directors of the Company at their Meeting held today – January 25, 2023.

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**

CAUVERI  
SRIRAM Digitally signed by CAUVERI SRIRAM  
Date: 2023.01.25 16:43:22 +05'30'

**Cauveri Sriram**  
**Company Secretary**

Encl: a/a

**TATA ELXSI**

Registered Office **Tata Elxsi Limited** ITPB Road Whitefield Bangalore 560 048 India  
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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 01, 2022 TO DECEMBER 31, 2022**

Particulars	Quarter ended			Year to date for the period from		Year ended
	December 31, 2022	September 30, 2022	December 31, 2021	April 01, 2022 to December 31, 2022	April 01, 2021 to December 31, 2021	March 31, 2022
	₹ lakhs					
<b>1 Income from operations</b>						
(a) Revenue from operations	81,774.31	76,317.11	63,541.32	2,30,680.27	1,78,906.05	2,47,079.92
(b) Other income (Refer note 3)	1,913.48	1,866.94	651.12	4,812.32	2,644.38	4,453.27
<b>Total income from operations (net)</b>	<b>83,687.79</b>	<b>78,184.05</b>	<b>64,192.44</b>	<b>2,35,492.59</b>	<b>1,81,550.43</b>	<b>2,51,533.19</b>
<b>2 Expenses</b>						
(a) Cost of materials consumed	5,025.75	4,160.01	2,228.72	13,104.35	9,225.63	12,670.23
(b) Changes in inventories of stock-in-trade	(110.41)	(3.04)	-	(57.45)	6.29	(50.46)
(c) Employee benefits expense	41,071.27	39,216.52	32,950.60	1,16,855.64	94,333.88	1,28,810.56
(d) Finance costs	446.65	425.65	300.80	1,208.10	623.83	942.51
(e) Depreciation and amortisation expense	2,142.95	2,178.84	1,404.00	6,031.10	3,945.32	5,533.55
(f) Other expenses	11,101.87	10,289.48	7,277.67	29,622.38	20,892.99	29,077.90
<b>Total expenses</b>	<b>59,678.08</b>	<b>56,267.46</b>	<b>44,161.79</b>	<b>1,66,764.12</b>	<b>1,29,027.94</b>	<b>1,76,984.29</b>
<b>3 Profit before tax (1-2)</b>	<b>24,009.71</b>	<b>21,916.59</b>	<b>20,030.65</b>	<b>68,728.47</b>	<b>52,522.49</b>	<b>74,548.90</b>
<b>4 Tax expense</b>						
a) Current tax	4,798.00	4,456.00	4,990.00	13,738.00	13,846.00	19,374.61
b) Deferred tax	(256.15)	32.85	(54.44)	(377.24)	(289.51)	207.14
<b>Total tax</b>	<b>4,541.85</b>	<b>4,488.85</b>	<b>4,935.56</b>	<b>13,360.76</b>	<b>13,556.49</b>	<b>19,581.75</b>
<b>5 Net profit for the period / year (3-4)</b>	<b>19,467.86</b>	<b>17,427.74</b>	<b>15,095.09</b>	<b>55,367.71</b>	<b>38,966.00</b>	<b>54,967.15</b>
<b>6 Other comprehensive income / (losses)</b>						
(i) Items that will not be reclassified to profit or loss	3.30	(91.16)	84.24	(488.66)	(124.46)	(309.46)
(ii) Income tax relating to items that will not be reclassified to profit or loss	(1.15)	31.85	(29.44)	170.76	43.49	108.14
<b>Total other comprehensive income / (losses) (net of tax)</b>	<b>2.15</b>	<b>(59.31)</b>	<b>54.80</b>	<b>(317.90)</b>	<b>(80.97)</b>	<b>(201.32)</b>
<b>7 Total comprehensive income (5+6)</b>	<b>19,470.01</b>	<b>17,368.43</b>	<b>15,149.89</b>	<b>55,049.81</b>	<b>38,885.03</b>	<b>54,765.83</b>
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	6,227.64
9 Other equity						1,53,862.65
10 Earnings per share						
- Basic EPS (₹)	31.26	27.98	24.24	88.91	62.57	88.26
- Diluted EPS (₹)	31.26	27.98	24.24	88.91	62.57	88.26

**AUDITED SEGMENT WISE REVENUE AND RESULTS**

Particulars	Quarter ended			Year to date for the period from		Year ended
	December 31, 2022	September 30, 2022	December 31, 2021	April 01, 2022 to December 31, 2022	April 01, 2021 to December 31, 2021	March 31, 2022
	₹ lakhs					
<b>1 Segment revenue</b>						
(a) Software development & services	79,637.80	74,354.52	62,241.69	2,25,077.75	1,75,125.52	2,42,131.14
(b) System integration & support services	2,136.51	1,962.59	1,299.63	5,602.52	3,780.53	4,948.78
<b>Total</b>	<b>81,774.31</b>	<b>76,317.11</b>	<b>63,541.32</b>	<b>2,30,680.27</b>	<b>1,78,906.05</b>	<b>2,47,079.92</b>
<b>2 Segment results</b>						
(a) Software development & services	28,270.78	25,490.41	22,290.84	79,194.27	58,002.68	82,894.53
(b) System integration & support services	40.97	283.59	126.56	324.80	237.86	248.98
<b>Total</b>	<b>28,311.75</b>	<b>25,774.00</b>	<b>22,417.40</b>	<b>79,519.07</b>	<b>58,240.54</b>	<b>83,143.51</b>
Less: Finance costs	446.65	425.65	300.80	1,208.10	623.83	942.51
Less: Unallocable expenditure (net of unallocable income)	3,855.39	3,431.76	2,085.95	9,582.50	5,094.22	7,652.10
<b>Profit before tax</b>	<b>24,009.71</b>	<b>21,916.59</b>	<b>20,030.65</b>	<b>68,728.47</b>	<b>52,522.49</b>	<b>74,548.90</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.

Assets and liabilities of the Company are used interchangeably amongst segments. Allocation of such assets and liabilities is not practicable and any forced allocation would not result in any meaningful segregation. Hence, assets and liabilities have not been identified to any of the reportable segments.

**Notes:**

- These results have been prepared in accordance with the Indian Accounting Standard (referred to as Ind AS) 34 - Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time. These results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on January 25, 2023. The statutory auditors have expressed an unmodified audit opinion on these results.
- The earnings per share (basic and diluted) for the interim periods have not been annualized.
- Other income includes:

	Quarter ended			Year to date for the period from		Year ended
	December 31, 2022	September 30, 2022	December 31, 2021	April 01, 2022 to December 31, 2022	April 01, 2021 to December 31, 2021	March 31, 2022
	₹ lakhs					
Exchange gain / (loss)	484.39	144.35	(174.18)	512.65	(155.71)	429.39

- The results of the Company for the quarter and year to date for the period from April 01, 2022 to December 31, 2022 are available on the Company's website - www.tataelxsi.com, on the BSE Limited website - www.bseindia.com and the National Stock Exchange of India Limited website - www.nseindia.com.

By Order of the Board  
for TATA ELXSI LIMITED



**Manoj Raghavan**  
Managing Director  
DIN: 0008458315



# 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 Interim Financial Results

### Opinion

We have audited the accompanying quarterly financial results of Tata Elxsi Limited ("the Company") for the quarter ended 31 December 2022 and the year-to-date results for the period from 01 April 2022 to 31 December 2022, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (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:

- 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 accounting standards, and other accounting principles generally accepted in India, of the net profit and other comprehensive income/loss and other financial information for the quarter ended 31 December 2022 as well as the year to date results for the period from 01 April 2022 to 31 December 2022.

### 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 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.

### 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 interim financial statements.

The Company's Management and the Board of Directors are responsible for the preparation of these 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 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 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

**Independent Auditor's Report (Continued)**

**Tata Elxsi Limited**

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 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 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 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.



B S R & Co. LLP

**Independent Auditor's Report (Continued)**

**Tata Elxsi Limited**

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*

Bengaluru

25 January 2023

Membership No.: 063980

UDIN:23063980BGWNOY7088

## Tata Elxsi delivers steady growth in Q3FY23 with 7.2% QoQ growth in revenues and PAT growth of 11.7% QoQ

### Crosses the 100M US\$ run rate in a quarter for the first time, powered by Automotive and Design Digital

Bangalore, January 25, 2023: Tata Elxsi (BSE: 500408 | NSE: TATAELXSI), amongst the world's leading providers of design led technology services, announced its third quarter results for the period ending 31<sup>st</sup> December 2022.

#### Highlights of the Quarter Ended 31<sup>st</sup> December 2022

- Revenues from operations at Rs. 817.7 Cr, + 7.2% QoQ, + 28.7% YoY
- Overall quarterly revenue crosses US\$ 100 million for the first time
- EBITDA Margin expands to 30.2%, + 9.0% QoQ growth
- Profit after tax at Rs. 194.7 Cr, + 11.7% QoQ
- EPS grows 11.7% QoQ and 29.0% YoY to Rs. 31.26

For the quarter ending December 31<sup>st</sup>, 2022, the company reported Rs. 817.7 Cr of revenues from operations, a steady growth of 7.2% QoQ and 28.7% YoY while Profits after tax grew 11.7% QoQ and 29.0% YoY.

All three segments of EPD, IDV and SIS delivered robust growth of 5.1%, 25.5% and 9.3% QoQ respectively.

#### Q3 Business Highlights:

##### Industries:

- Transportation witnessed stellar growth of 12% QoQ and 33.2% YoY, aided by large deals and market share gains in EV, Software Defined Vehicles and adjacencies.
- Healthcare grew at 28.4% YoY, driven by new product engineering, digital health and regulatory services.
- Media and Communications grew 14.7% YoY in a challenging quarter for the industry, aided by new wins in Android TV and AdTech, and platform-led deals with operators.
- Among regions, Europe delivered strong growth of 8.9% QoQ, followed with US at 6.3% QoQ.

**Mr. Manoj Raghavan, CEO and Managing Director, Tata Elxsi**, commenting on the company's performance, said:

"We have delivered a quarter of steady growth in a seasonally weak and challenging quarter for the technology industry and macro-economic uncertainty in our key markets. We are seeing strong and sustained growth in the Automotive and adjacent segments in Transportation, led by our differentiated EV and digital capabilities.

We won multi-year deals in EV and Software Defined Vehicle architectures in the automotive space, and a strategic entry into a global OEM software organization.

Both our Healthcare and Media & telecom business saw some impact of delayed decision-making, furloughs and a short quarter. We have done well to protect our business and position ourselves strongly for upcoming strategic deals.

In the Media and Telecom vertical, we have won strategic platform-led deals with operators in media and communications, and new wins especially in the AdTech space.

The Healthcare & Lifesciences vertical saw new product development deals including a Renal Home care platform for a leading US medical device company.

Our Design business continues to win *Design Digital* deals for the company across our key verticals. It is seeding opportunities for larger development projects and next-generation digital applications, including AR/VR and AI enabled entertainment experiences.

For us, this has been a quarter of focusing on positioning ourselves strongly for the future with our unique design-led capabilities, scaling across our customer base, and harnessing the exceptional investments in employee additions we have made in the last quarter and before.

The attrition rate declined for the third consecutive quarter, even as we continue to invest in bringing in the right expertise to deliver exceptional outcomes for our customers. This is helping us accelerate growth in the increasing number of strategic accounts and new offerings we are bringing to market. We have also invested in establishing a digital engineering center in Frankfurt, to support our growth in Germany and Europe.

We are entering the last quarter of the financial year with a strong order book and a healthy deal pipeline across key markets and industries, and a differentiated *Design Digital* positioning.”

#### **About Tata Elxsi**

Tata Elxsi is amongst the world’s leading providers of design and technology services across industries including Automotive, Broadcast, Communications, Healthcare and Transportation.

Tata Elxsi is helping customers reimagine their products and services through design thinking and application of digital technologies such as IoT (Internet of Things), Cloud, Mobility, Virtual Reality and Artificial Intelligence. For more information, please visit [www.tataelxsi.com](http://www.tataelxsi.com)

#### **Media Contact**

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