

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF TATA ELXSI LIMITED

1. We have audited the accompanying Statement of Financial Results of **TATA ELXSI LIMITED** ("the Company"), for the quarter ended June 30, 2017 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related interim condensed financial statements which has been prepared in accordance with Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such interim condensed financial statements.
3. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

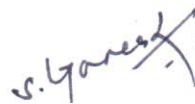
An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

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4. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
- (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; and
 - (ii) gives a true and fair view in conformity with the aforesaid Indian Accounting Standards ("Ind AS") and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the quarter ended June 30, 2017.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
Firm's Registration No. 008072S



S Ganesh
Partner
Membership No.204108

Place: Bengaluru
Date: July 27, 2017

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 ENDED JUNE 30, 2017

(Rs.Lakhs)

Particulars	Quarter ended			Year ended
	June 30, 2017	March 31, 2017	June 30, 2016	March 31 2017
1 Income from operations				
(a) Revenue from operations	32,322.96	32,699.73	29,585.25	1,23,731.23
(b) Other income (Refer note 3 below)	793.06	(290.31)	83.33	(541.16)
Total income from operations (net)	33,116.02	32,409.42	29,668.58	1,23,190.07
2 Expenses				
(a) Purchases	1,921.21	2,634.62	1,797.43	7,649.87
(b) Changes in inventories of stock-in-trade	(8.57)	0.48	-	-
(c) Employee benefit expense	17,922.65	17,469.44	15,634.35	66,568.25
(d) Depreciation and amortisation expense	648.07	682.30	674.50	2,692.13
(e) Other expenses	5,145.65	5,043.60	5,245.76	19,854.10
Total expenses	25,629.01	25,830.44	23,352.04	96,764.35
3 Profit before tax (1-2)	7,487.01	6,578.98	6,316.54	26,425.72
4 Tax expense				
a) Current tax	2,619.00	2,143.00	2,237.00	9,017.00
b) Deferred tax	(106.31)	86.83	(88.88)	(69.74)
Total tax	2,512.69	2,229.83	2,148.12	8,947.26
5 Net profit for the period (3-4)	4,974.32	4,349.15	4,168.42	17,478.46
6 Other comprehensive income				
(i) items that will not be reclassified to profit or loss	(106.05)	17.83	(9.01)	(365.95)
(ii) Income tax relating to items that will not be reclassified to profit or loss	36.69	(6.17)	3.12	126.62
Total other comprehensive income	(69.36)	11.66	(5.89)	(239.33)
7 Total comprehensive income (5+6)	4,904.96	4,360.81	4,162.53	17,239.13
8 Paid-up equity share capital (face value Rs.10/- each)	3,113.82	3,113.82	3,113.82	3,113.82
9 Reserves excluding revaluation reserves as per balance sheet	57,558.06	52,653.10	44,823.31	52,653.10
10 Earnings per share (Refer note 4 below)				
- Basic EPS (Rs.)	15.97	13.97	13.39	56.13
- Diluted EPS (Rs.)	15.97	13.97	13.39	56.13

AUDITED SEGMENT WISE REVENUE AND RESULTS

Primary segment information

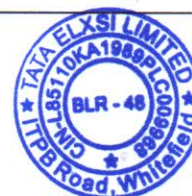
(Rs. lakhs)

Particulars	Quarter ended			Year ended
	June 30, 2017	March 31, 2017	June 30, 2016	March 31 2017
Segment revenue				
(a) Software development & services	30,863.32	30,722.69	27,970.27	1,17,072.39
(b) System integration & support services	1,459.64	1,977.04	1,614.98	6,658.84
Total	32,322.96	32,699.73	29,585.25	1,23,731.23
Segment results				
(a) Software development & services	8,083.41	7,378.99	6,820.09	28,973.04
(b) System integration & support services	173.80	208.60	219.73	835.67
Total	8,257.21	7,587.59	7,039.82	29,808.71
Less: Unallocable expenditure (net of unallocable income)	770.20	1,008.61	723.28	3,382.99
Profit before tax	7,487.01	6,578.98	6,316.54	26,425.72
i) Segment assets				
(a) Software development & services	37,646.43	43,594.00	31,380.97	43,594.00
(b) System integration & support services	2,484.40	2,439.01	2,922.01	2,439.01
(c) Unallocable assets	35,611.58	22,695.03	27,836.43	22,695.03
Total	75,742.41	68,728.04	62,139.41	68,728.04
ii) Segment liabilities				
(a) Software development & services	6,426.75	6,736.07	7,769.04	6,736.07
(b) System integration & support services	1,570.21	1,621.75	1,532.49	1,621.75
(c) Unallocable liabilities	7,370.95	5,422.54	9,702.61	5,422.54
Total	15,367.91	13,780.36	19,004.14	13,780.36

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 ENDED JUNE 30, 2017

Notes to audited financial results for the quarter ended June 30, 2017

1 The above results were reviewed by the Audit Committee and thereafter have been adopted by the Board at its meeting held on July 27, 2017.

2 Transition to Indian Accounting standards (Ind AS)

The Company's financial statements for the quarter ended June 30, 2017 are the first interim financial statements prepared in accordance with the Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015. The adoption of Ind AS was carried out in accordance with Ind AS 101, using April 1, 2016 as the transition date. Ind AS 101 requires that all the Ind AS standards and interpretations that are effective for the first Ind AS financial statements for the quarter ended June 30, 2017, be applied consistently and retrospectively for all the fiscal year presented. All applicable Ind AS have been applied consistently and retrospectively wherever required.

Reconciliation between the financial results as reported (referred to as Previous GAAP) and Ind AS for previous quarters/year are as under:

(Rs. Lakhs)

Particulars	Quarter ended		Year ended
	March 31, 2017	June 30, 2016	March 31, 2017
Net profit under Previous GAAP	4,449.74	4,192.86	17,329.14
Net impact of discounting of non-current financial assets	0.31	(0.14)	0.31
Recognition of unamortised transaction costs on financial instruments	(89.24)	(30.19)	(90.32)
Actuarial (gain)/loss (net of taxes) on defined benefit plans considered under Other Comprehensive income	(11.66)	5.89	239.33
Net profit under Ind AS	4,349.15	4,168.42	17,478.46
Other Comprehensive income (net of taxes), items that will not be classified into Statement of Profit and Loss	11.66	(5.89)	(239.33)
Total Comprehensive income under Ind AS	4,360.81	4,162.53	17,239.13

3 Other income includes:

(Rs. lakhs)

	Quarter ended			Year ended
	June 30, 2017	March 31, 2017	June 30, 2016	March 31, 2017
Exchange gain / (loss)	419.32	(1,134.99)	(228.49)	(2,209.10)

4 The Earnings per share (basic and diluted) for the quarterly periods have not been annualised.

5 The statement of financial results have been audited by the Company's auditors. The Company's auditors have issued an unmodified audit opinion on the financial results. The audit report has been filed with the stock exchanges and is also available on the Company's website.

6 Previous period's/year's figures have been regrouped wherever necessary.

Bengaluru, July 27, 2017



By Order of the Board
for TATA ELXSI LIMITED

Madhukar Dev
Managing Director