

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF TATA ELXSI LIMITED

1. We have audited the accompanying Statement of Consolidated Financial Results of **TATA ELXSI LIMITED** ("the Company") and its subsidiary (the Company and its subsidiary constitute "the Group") for the Quarter and Nine Months ended December 31, 2014 ("the Statement"), being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II - Select Information referred to in paragraph 4 below. This Statement has been prepared on the basis of the related interim consolidated financial statements, which is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to express an opinion on the Statement, based on our audit of the related interim consolidated financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS-25) on Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India.
2. We conducted our audit of the Statement in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the Statement. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall Statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - a. includes the results of the TATA Elxsi (Singapore) Pte Limited;
 - b. is presented in accordance with the requirements of Clause 41 of the Listing Agreements with the Stock Exchanges; and
 - c. gives a true and fair view in conformity with the accounting principles generally accepted in India of the net profit and other financial information of the Group for the Quarter and Nine Months ended December 31, 2014.
4. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged / encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements with the Stock Exchanges and the particulars relating to investor complaints disclosed in Part II - Select Information for the Quarter and Nine Months ended December 31, 2014 of the Statement, from the details furnished by the Registrars.

for **Deloitte Haskins & Sells**
Chartered Accountants
Firm Registration No. 008072S



S. Ganesh
Partner
Membership No. 204108

Place: Bangalore
Date: January 21, 2015



TATA ELXSI LIMITED

CIN: L85110KA1989PLC009968

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

STATEMENT OF CONSOLIDATED AUDITED RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER, 2014

PART I

(Rs. in lakhs)

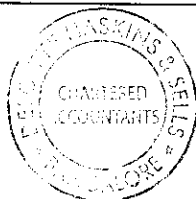
Particulars	01 Oct 2014 to 31 Dec 2014	01 Jul 2014 to 30 Sep 2014	01 Oct 2013 to 31 Dec 2013	01 Apr 2014 to 31 Dec 2014	01 Apr 2013 to 31 Dec 2013	01 Apr 2013 to 31 Mar 2014
1 Income from operations						
(a) Net sales/income from operations	22,148.73	20,588.30	20,012.32	61,812.53	56,326.65	77,478.57
(h) Other operating income	-	-	-	-	-	-
Total income from operations (net)	22,148.73	20,588.30	20,012.32	61,812.53	56,326.65	77,478.57
2 Expenses						
(a) Purchases	1,939.20	1,679.57	1,334.09	5,214.75	5,129.75	7,493.71
(b) Changes in inventories of stock-in-trade	(12.91)	(5.30)	8.02	(18.21)	7.91	31.22
(c) Employee benefits expense	11,753.08	11,397.32	10,435.61	33,753.67	29,787.30	40,295.96
(d) Depreciation and amortisation expense	728.14	787.81	926.49	2,412.93	2,330.85	3,498.66
(e) Other expenses	3,424.44	3,337.23	3,879.06	9,870.11	12,452.78	16,012.07
Total expenses	17,831.95	17,196.63	16,583.27	51,233.25	49,708.59	67,331.62
3 Profit / (Loss) from operations before other income, finance costs and exceptional items (1 - 2)	4,316.78	3,391.67	3,429.05	10,579.28	6,618.06	10,146.95
4 Other Income (Refer Note No.3)	32.52	131.57	(115.10)	385.33	1,229.72	1,254.33
5 Profit / (Loss) from ordinary activities before finance costs & exceptional items (3 + 4)	4,349.30	3,523.24	3,313.95	10,964.61	7,847.78	11,401.28
6 Finance costs	-	-	40.41	0.14	178.74	182.68
7 Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 - 6)	4,349.30	3,523.24	3,273.54	10,964.47	7,669.04	11,218.60
8 Exceptional items	-	-	-	-	-	-
9 Profit / (Loss) from Ordinary Activities before tax (7 + 8)	4,349.30	3,523.24	3,273.54	10,964.47	7,669.04	11,218.60
10 Tax expense	1,573.50	1,159.60	1,117.86	3,745.80	2,627.78	3,992.41
11 Net Profit / (Loss) from ordinary activities after tax (9 - 10)	2,775.80	2,363.64	2,155.68	7,218.67	5,041.26	7,226.19
12 Extraordinary item	-	-	-	-	-	-
13 Net Profit / (Loss) for the period / year (11 - 12)	2,775.80	2,363.64	2,155.68	7,218.67	5,041.26	7,226.19
14 Paid-up equity share capital (equity shares of Rs.10/- each)	3,113.82	3,113.82	3,113.82	3,113.82	3,113.82	3,113.82
15 Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	-	-	20,457.27
16 Earnings per share (not annualised)						
- Basic/diluted EPS before extraordinary items	8.91	7.59	6.92	23.18	16.19	23.21
- Basic/diluted EPS after extraordinary items	8.91	7.59	6.92	23.18	16.19	23.21

SELECT INFORMATION FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER, 2014

PART II

Particulars	01 Oct 2014 to 31 Dec 2014	01 Jul 2014 to 30 Sep 2014	01 Oct 2013 to 31 Dec 2013	01 Apr 2014 to 31 Dec 2014	01 Apr 2013 to 31 Dec 2013	01 Apr 2013 to 31 Mar 2014
A PARTICULARS OF SHAREHOLDING						
1 Public shareholding						
- Number of Shares	17,120,932	17,120,932	17,090,588	17,120,932	17,090,588	17,090,588
- Percentage of shareholding	55%	55%	55%	55%	55%	55%
2 Promoters and Promoter Group shareholding						
a. Pledged/Encumbered						
- Number of shares	-	-	-	-	-	-
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-	-
- Percentage of shares (as a % of the total share capital of the Company)	-	-	-	-	-	-
b. Non - encumbered						
- Number of Shares	14,017,288	14,017,288	14,047,632	14,017,288	14,047,632	14,047,632
- Percentage of shares (as a % of the total shareholding of Promoter and Promoter Group)	100	100	100	100	100	100
- Percentage of shares (as a % of the total share capital of the Company)	45%	45%	45%	45%	45%	45%

Particulars	3 months ended 31 Dec 2014
B INVESTOR COMPLAINTS	
Pending at the beginning of the quarter	7
Received during the quarter	4
Disposed of during the quarter	9
Remaining unresolved at the end of the quarter	2



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STATEMENT OF CONSOLIDATED AUDITED RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER, 2014

SEGMENT RESULTS

Particulars	(Rs. in lakhs)					
	01 Oct 2014 to 31 Dec 2014	01 Jul 2014 to 30 Sep 2014	01 Oct 2013 to 31 Dec 2013	01 Apr 2014 to 31 Dec 2014	01 Apr 2013 to 31 Dec 2013	01 Apr 2013 to 31 Mar 2014
1 Segment Revenue						
a System Integration & Support Services	1,943.28	1,687.32	1,713.89	5,019.35	6,550.56	9,208.35
b Software Development & Services	20,205.45	18,900.98	18,298.43	56,793.18	49,776.09	68,270.22
Net income from Sales/Services	22,148.73	20,588.30	20,012.32	61,812.53	56,326.65	77,478.57
2 Segment Results						
a System Integration & Support Services	160.24	186.49	172.78	386.02	590.81	842.56
b Software Development & Services	4,780.34	3,890.30	4,078.71	12,293.73	9,513.49	13,790.44
Total	4,940.58	4,076.79	4,251.49	12,679.75	10,104.30	14,633.00
Less: Interest & Finance Charges	-	-	40.41	0.14	178.74	182.68
Unallocable Expenditure (net of unallocable income)	591.28	553.55	937.54	1,715.14	2,256.52	3,231.72
Profit before Tax	4,349.30	3,523.24	3,273.54	10,964.47	7,669.04	11,218.60
3 Capital Employed						
a System Integration & Support Services	192.67	191.86	1,057.09	192.67	1,057.09	809.01
b Software Development & Services	19,674.90	16,963.14	12,804.18	19,674.90	12,804.18	15,750.94
	19,867.57	17,155.00	13,861.27	19,867.57	13,861.27	16,559.95
Add: Unallocable Capital Employed	10,218.24	9,355.68	8,464.16	10,218.24	8,464.16	5,561.68
Total	30,085.81	26,510.68	22,325.43	30,085.81	22,325.43	22,121.63

Notes:

- 1 The above figures have been reviewed by the Audit Committee and approved by the Board of Directors on January 21, 2015.
- 2 As per the provisions of the Companies Act, 2013 (the "Act"), the management has decided to adopt the useful lives as suggested in Part C of Schedule II of the Act, with effect from April 1, 2014 for all its fixed assets. Accordingly, an additional depreciation of Rs. 730.64 lakhs has been recognised for the period (Rs 191.83 lakhs for the quarter) in the statement of profit and loss.

In accordance with the transitional provisions under Note 7(b) to part C of Schedule II of the Act, the company has recognised an amount of Rs. 312.71 lakhs (net off of deferred tax as on 30th June, 2014 - Rs.161.02 lakhs) in the opening retained earnings, pertaining to assets whose balance useful life was Nil as at April 1, 2014, pursuant to such adoption.

The management is also reassessing useful life of assets through a technical evaluation. Additional impact, if any, on depreciation would be recognised in the subsequent quarter as per Schedule II of the Act.

Other income includes:	(Rs. in lakhs)					
	Quarter ended 31 Dec 2014	Quarter ended 30 Sep 2014	Quarter ended 31 Dec 2013	Period ended 31 Dec 2014	Period ended 31 Dec 2013	Year ended 31 Mar 2014
Exchange gain / (loss)	(177.21)	(142.29)	(121.35)	(219.28)	1,091.61	978.95

The following are the particulars of the Company on a stand-alone basis	(Rs. in lakhs)					
	Quarter ended 31 Dec 2014	Quarter ended 30 Sep 2014	Quarter ended 31 Dec 2013	Period ended 31 Dec 2014	Period ended 31 Dec 2013	Year ended 31 Mar 2014
Turnover	22,148.73	20,588.30	19,859.83	61,812.53	56,058.57	77,209.76
Profit before tax	4,430.98	3,523.38	3,264.27	11,049.86	7,768.60	11,498.54
Profit after tax	2,859.88	2,363.78	2,147.57	7,306.46	5,143.55	7,510.74

- 5 The detailed standalone results of the Company are available on the Company's website - www.tataelxsi.com
- 6 Previous period's / year's figures have been regrouped wherever necessary.

By Order of the Board
for TATA ELXSI LIMITED

Madhukar Desai
Managing Director

Bengaluru, January 21, 2015

