



June 15, 2024

DGM – Corporate Relations
BSE Ltd.
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001
Scrip Code: 500408

The Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, Plot No. C-1, Block G
Bandra – Kurla Complex Bandra (East)
Mumbai – 400 051
Scrip Symbol: TATAELXSI

Dear Sir/Madam,

Sub: Notice to 35th Annual General Meeting and Integrated Annual Report of FY 2023-24

The Thirty-Fifth (35th) Annual General Meeting ('AGM') of the Company will be held on **Wednesday, July 10, 2024, at 11:00 a.m. (IST)**, through **Video Conferencing ('VC')** or **Other Audio Visual Means ('OAVM')**.

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations"), please find enclosed the Notice to the 35th AGM along with the Integrated Annual Report of the Company for the financial year 2023-24, which is being sent by email to those Members whose email addresses are registered with the Company/ Depositories.

The Integrated Annual Report containing the Notice is also available for download on the Company's website at www.tataelxsi.com

This is for your information and records.

Thanking you

Yours truly,

For Tata Elxsi Limited

Cauveri Sriram

Company Secretary & Compliance Officer

TATA ELXSI

Registered Office **Tata Elxsi Limited** ITPB Road Whitefield Bangalore 560 048 India

Tel +91 80 2297 9123 Fax +91 80 2841 1474

www.tataelxsi.com

(CIN-L85110KA1989PLC009968)

TATA ELXSI

Integrated Annual Report
2023-24



**DESIGN
DIGITAL**



CORPORATE INFORMATION

Board of Directors

Non-Independent and Non-Executive Directors



**Mr. N. Ganapathy
Subramaniam**
Chairman



Mr. Ankur Verma

Non-Independent and Executive Director



Mr. Manoj Raghavan
CEO & Managing Director

Independent Non-Executive Directors



**Mrs. Shyamala
Gopinath**



Mr. Sudhakar Rao



Prof. Anurag Kumar



Ms. Ashu Suyash



**Mr. Soumitra
Bhattacharya**

Committees of the Board

Audit

Mrs. Shyamala Gopinath, Chairperson
Mr. Sudhakar Rao
Mr. Ankur Verma
Prof. Anurag Kumar

Nomination & Remuneration

Mrs. Shyamala Gopinath, Chairperson
Mr. N. G. Subramaniam
Mr. Sudhakar Rao

Stakeholders' Relationship

Mr. Sudhakar Rao, Chairperson
Mr. Manoj Raghavan
Prof. Anurag Kumar

Corporate Social Responsibility

Mr. Sudhakar Rao, Chairman
Mrs. Shyamala Gopinath
Mr. Manoj Raghavan

Risk Management

Prof. Anurag Kumar, Chairman
Mr. N. G. Subramaniam
Mr. Gaurav Bajaj

Ethics

Prof. Anurag Kumar
Mr. Manoj Raghavan

Key Managerial Personnel (KMP)

Mr. Manoj Raghavan,
MD & Chief Executive Officer

Mr. Gaurav Bajaj,
Chief Financial Officer

Ms. Cauveri Sriram,
Company Secretary & Compliance Officer

Statutory Auditors

M/s. BSR & Co. LLP
Chartered Accountants

Secretarial Auditors

M/s. Jayashree Parthasarathy & Co.,
Company Secretaries

Registered & Corporate Office

Tata Elxsi Limited
ITPB Road, Whitefield,
Bengaluru - 560 048
Karnataka, India
Email: investors@tataelxsi.com
Website: www.tataelxsi.com

ACROSS THE PAGES

Company Overview

| | |
|--|----|
| Key Highlights of the Year | 4 |
| From the Chairman's Desk | 8 |
| About Tata Elxsi | 9 |
| Designing Growth and Prosperity | 12 |
| Expanding Our Presence | 16 |
| Delivering Service Excellence | 20 |
| Designing with Sustainability in Mind | 24 |
| Making Talent Future-Ready | 28 |
| Creating Societal Impact | 32 |
| Designing Blueprints of Trust & Future Readiness | 38 |
| Transparent and Strong Governance | 40 |

Statutory Reports

| | |
|---|-----|
| AGM Notice | 42 |
| Directors' Report | 56 |
| Management Discussion and Analysis | 64 |
| Business Responsibility & Sustainability Report | 75 |
| Compliance Report on Corporate Governance | 139 |

Financial Statements

| | |
|--|-----|
| Independent Auditor's Report | 165 |
| Balance Sheet | 178 |
| Statement of Profit and Loss | 179 |
| Statement of Changes in Equity | 180 |
| Statement of Cash Flow | 182 |
| Notes forming part of the Financial Statements | 184 |

For more investor-related information,
please scan the QR code



Or visit:
<https://www.tataelxsi.com/investors>



Investor Information

| | |
|--|--|
| Market Capitalisation as at March 31, 2024 | Rs. 48,483.14 crores |
| CIN | L85110KA1989PLC009968 |
| BSE Code | 500408 |
| NSE Symbol | TATAELXSI |
| Dividend Declared | Rs. 70 per share |
| AGM Date | Wednesday, July 10, 2024, 11:00 a.m. (IST) |
| AGM Mode | Through Video Conferencing |

Disclaimer: This document contains statements about expected future events and financials of Tata Elxsi (The Company), which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

KEY HIGHLIGHTS OF THE YEAR

Transportation



Projects, Alliances and Collaborations

- Collaborated with IIT-Guwahati for EV technologies, focusing on problems such as digital analysis of electrical signature data for traction motors
- Partnership with Cultos Global for integrating its blockchain mechanism with its TETHER connected vehicle platform, introducing a driver reward through a high-trust and high-privacy blockchain model
- Joined eSync Alliance to help standardize and accelerate OTA initiatives, hence accelerating the industry shift towards SDV
- Collaborated with Indian Institute of Science (IISc) for Automotive cybersecurity Solutions using AI and ML based intrusion detection
- Partnership with NIT-Kozhikode to establish state-of-the-art laboratory for EV technologies



Key Wins

- Established strategic partnership with a global automotive OEM for software development in the SDV domain
- Selected as a strategic innovation and development partner for the advancement of next-generation EV and on-board systems by a leading European automotive supplier
- Awarded a multi-year, multi-million-dollar contract for the design and development of Level 3+ autonomous driving systems for passenger vehicles by a US automotive Tier 1

Media and Communications



Projects, Alliances and Collaborations

- Strategic alliance with Ateame, a global leader in video compression, delivery, and streaming solutions to deliver a pre-integrated FAST (Free Ad-Supported Television) channel deployment solution
- Partnership with Accuknox, the developer of NIMBUS, a state-of-the-art cloud-native security solution for advancement in network transformation and security, offering operators a comprehensive solution for building and securing autonomous networks
- Tata Elxsi collaborates with Telefónica in the domain of automation of cloud infrastructure for telecommunication, integrating ETSI OSM with Tata Elxsi's NEURON for unprecedented agility
- Partnership with INVIDI to develop targeted advertising solutions and create new revenue streams for enterprises



Key Wins

- Selected as a strategic partner for transforming video services across several LATAM countries for a multi-country telecom operator
- Tata Elxsi's 5G Orchestrator and Service Automation Suite has been selected by a leading Telco for its upcoming network rollout and deployment
- Bagged a large product engineering consolidation deal for a leading MSO in North America, leveraging unmatched offshore execution capability and AI to improve efficiency

Healthcare and Life Sciences



Projects, Alliances and Collaborations

- Partnership with BrainChip for driving Akida technology into medical devices and industrial applications leveraging its superior AI performance on the edge



Key Wins

- Multi-year deal for innovation and re-engineering of a critical care device platform targeting emerging markets, from a European leader
- Design-led New Product Development (NPD) deal from a Global Healthcare Company to innovate a new line of next-gen Smart Hospital equipment
- Implementing a multi-year regulatory workflow transformation program by a European medical device OEM. This engagement leverages AI to significantly enhance quality of outcome and efficiency of workflows



Other Key Projects

- Partnered with ISRO for design and development of Crew Module Recovery Models for Gaganyaan mission
- Designed an Experience Centre for Tata Chemicals, enabling interactive and captivating walk-through showcasing its achievements, product portfolios and services, thereby facilitating strategic conversations and nurturing long-term relationships
- Revolutionised workplace tea experiences with an IoT-enabled Tea Vending Machine for Chaayos, Aha! With 50 flavours, smart brewing tech, and sustainability features, winning the iF Design Award 2024

AI-Enabled Platforms



AIVA



AIDMS



SymanTEx



TESA

Awards and Recognitions



Tata Elxsi has been awarded Platinum Winner for the '**Best Network Orchestration Solution in TELCO**' at the Future Digital Award by Juniper Research for its groundbreaking network automation product – NEURON.

Tata Elxsi and Tata Motors jointly received the esteemed **German Design Award 2024** for Gen 3 HMI design, for excellence in product design in the Human-Machine Interface category.

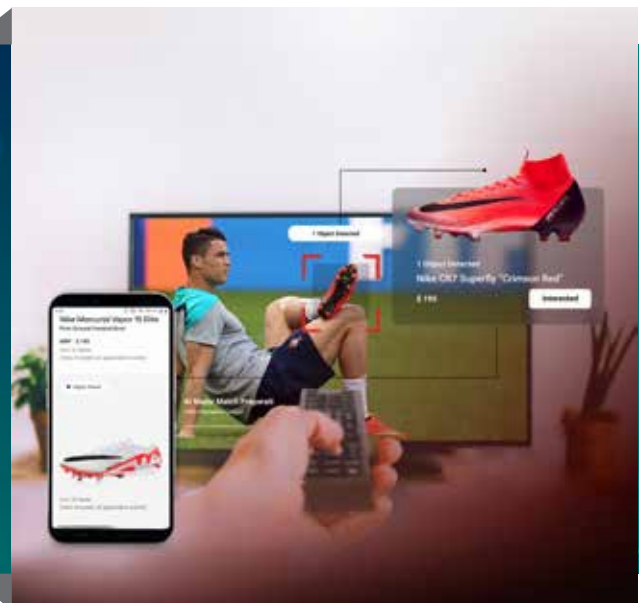
NEURON Autonomous Network Platform, honoured as **Product of the Year at the Industry DevOps Awards 2023** in London. NEURON empowers operators to effectively deploy and operate 4G/5G networks while embracing the transformative power of Automation and AI.

Tata Elxsi, won the **iF Design Award in Product Design for the "Aha!" Tea Vending Machine** for Chaayos. The Aha" vending machine is a one-of-a-kind, IoT-enabled device, catering to the Indian market with up to 50 customisation options directly from users' phones.

Recognised as one of the '**Top 50 Innovative Companies of 2023**' by the Confederation of Indian Industry (CII) for our innovation across various sectors, including Industry 4.0, AI Accelerators, and Robotics in Healthcare.

DID YOU KNOW

The Sports and Entertainment OTT Experience solution developed by Tata Elxsi won the iF Design Award in User Experience Design. This solution offers synchronised real-time data and user controls, enabling a seamless premium sports viewing experience. It streamlines multiple products into one platform, fostering brand loyalty and user engagement through AI-powered immersive ads and innovative monetisation opportunities.



FROM THE CHAIRMAN'S DESK



Dear Stakeholders,

As I write this letter, I am pleased to see Tata Elxsi surpass the milestone of Rs. 1,000 crores in Profit Before Taxes (PBT) during the FY 2023-24. Despite the volatilities faced by our client segments, your Company has reported growth and profit, thanks to superior client relationships, and agile & flexible operating model.

During the financial year, your Company completed another key milestone of integrating its design business into its offerings for the three key verticals. In the FY 2023-24, more than 90% of revenues of IDV came from these three verticals. Tata Elxsi now has seamless end-to-end offerings for ideation to market introduction of products, in the verticals of Transportation, Media & Communication and Healthcare & Life Sciences.

This Research and Design-led capability enhances our competitive differentiation, provides early visibility into end customer preferences, customer product roadmaps and creates downstream development deals.

During the FY 2023-24, the Company's operating revenues stood at Rs. 3,552.1 crores, growing 13% year-on-year. Profit Before Tax (PBT) stood at Rs. 1,048.7 crores. Your Company reported Profit After Tax (PAT) of Rs. 792.2 crores for the financial year.

During the financial year, Transportation business clocked a revenue of Rs. 1,723.9

crores, growing 24.6% year-over-year. This revenue growth was driven by Software Defined Vehicle (SDV) related engagements with leading OEMs across the globe. Of this, 56% of the revenue came from OEMs. Your Company also won the German Design Award 2024 for its work on automotive HMI, which underscores your Company's strong capabilities in design-led offerings.

In the Healthcare & Life Sciences business, Tata Elxsi revenue during the financial year grew by 10.8% to Rs. 484.9 crores, while it added five marquee customers to its portfolio. The financial year also marked the opening of an Offshore Development Centre (ODC) for Dräger, a leading German medical and safety technology products manufacturer.

Revenue from our Media & Communication business, reported at Rs. 1,217.5 crores remained protected during FY 2023-24, growing marginally by 0.2% year on year. During a challenging fiscal period for this business, your organisation adeptly shifted its focus, resulting in a significant increase in revenue from operators, which now represent 70% of the vertical's total business.

Investing in Our Future

I am delighted to share with you that while your Company has been maintaining industry leading EBITDA margins during the last few years, it has also been consistently investing to ensure its future growth in the coming years. In FY24 your Company added 1,535 net employees to its rolls, for sustained capacity building, which was led by fresher intake. We also opened a global automotive design and engineering centre in Pune, which has the capacity to house 1,000 engineers, designers and technology specialists, along with R&D labs.

In the field of Artificial Intelligence (AI) and Generative-AI (Gen-AI), your Company continues to invest in its people, labs and solutions, and has rolled out specialised programs to get 25% of its engineers AI ready

by third quarter of FY25. Your organisation is at the forefront of integrating Gen-AI into both design and software domains, leveraging this advanced technology to enhance workflows and processes. This strategic application of Gen-AI positions its customers to achieve success and gain a competitive edge in their respective markets.

In the area of sustainability, I am happy to share with you that we have reported a 54% reduction in carbon intensity on turnover basis in 2023-24 as compared to the baseline year of 2019-20. This is in line with our aspiration to be Carbon Neutral by 2030.

Looking Ahead

As we step into the new financial year, your Company is well poised to leverage its Research and Design-Led engineering capabilities for growth and profitability. Despite the uncertain macroeconomic situation that currently prevails in the market, we are committed to engage with our clients to maximise our wallet-share and participate in their optimisation and transformation spends.

In this journey, the dedication and commitment of our researchers, designers and engineers is well appreciated, and I thank them, and the management team for their hard work and their commitment to excellence, revenue growth and profitability.

I take this opportunity to welcome Mr. Soumitra Bhattacharya and Ms. Ashu Suyash to our Board of Directors and thank them for their time, invaluable guidance and insights.

Your Board of Directors has recommended a final dividend of 700%, or Rs. 70 per share, subject to taxation, for your consideration.

I thank you, on behalf of the Board of Directors and the management team, for your continued confidence, and support.

Yours Sincerely,

N. G. Subramaniam

ABOUT TATA ELXSI

Established in 1989, Tata Elxsi is amongst the world's leading providers of design and technology services across industries including Transportation, Media & Communications, and Healthcare & Life Sciences.

With a design-led and technology-driven approach, Tata Elxsi empowers its clients to reimagine their products and services, leveraging the capabilities of futuristic technologies such as Artificial Intelligence (AI), Generative AI (Gen-AI), Cloud, Internet of Things (IoT), Virtual Reality.

Tata Elxsi continues as a significant player in shaping the future of technology by empowering businesses to achieve their goals through continuous innovation.

Industry Presence

35 Years

Strong Workforce

13,000+

Covered within Clientele
and Customer Base

16 Countries

Transportation, Media &
Communications and Healthcare &
Lifesciences

3 Verticals

DID YOU
KNOW

Our AI lab at Indian Institute of Science (IISc) is equipped with NVIDIA GPU infrastructure for advanced research in AI/ML





Mission

We are the preferred design, technology, and innovation partner, creating differentiated products and services that delight customers and drive business growth.



Foundation

Our '4P' approach serves as the foundational pillar to our approach for strategic growth, with a focus on cultivating excellence, innovation, and partnerships for future-ready products and talent.

People

Employer of Choice

- ◆ Foster a great work environment
- ◆ Make the Tata Elxsi brand the most aspirational
- ◆ Attract and retain the best talent
- ◆ Provide great learning opportunities

Process

Delivery Excellence

- ◆ Design thinking methodologies
- ◆ 2-in-a-box model
- ◆ Deep offshore capabilities
- ◆ Agile methodologies

4P

Products & Platforms

Designed for Scale

Tata Elxsi's unique products and platforms empower our clients to quickly introduce innovative offerings. These solutions leverage cutting-edge digital technologies, including, but not limited to artificial intelligence (AI) and cloud computing.

Partner Ecosystem

Next-Gen Capabilities

- ◆ Helping global businesses to deliver higher value
- ◆ Partnering, reimagining and creating for tomorrow



Business Segments

At Tata Elxsi, we are dedicated to harnessing the most advanced technologies to provide our clients with cutting-edge solutions, empowering them with a distinct competitive advantage in today's ever-evolving business landscape.

Our business operations are broadly classified into 2 segments:

Software Development & Services (SDS)

- Provides end-to-end offerings from ideation to market introduction, in the verticals of Transportation, Media & Communication and Healthcare & Life Sciences
- Helps customers create innovative products, services, and experiences through services like consumer research, strategy, branding, graphics, and product design
- Provides design-led Embedded Product Design (EPD) services like technology consulting, new product design, development, and testing services

➤ Area of Expertise:

- **Transportation Business Unit**
Automotive Software Engineering, Vehicle Systems Engineering, Software Defined Vehicle Platform and Solutions, Electrification, Connected Car Solutions and a variety of test solutions and test frameworks
- **Healthcare and Life Sciences**
Device Development, Digital Therapeutics Solutions, Product Engineering Services, Regulatory Services, and Digital Transformation Services
- **Media and Communication**
Commercial RDK deployments, Android TV Services, OTT Video Services, Video Quality DevOps Automation Platform, Intelligent Video Analytics, and Digital Transformation Services for Operators

System Integration and Support (SIS)

- Integrates complete systems and solutions for specialised applications like Experience Centres, Training & Safety, and Design Visualisation
- DevOps Security, Cloud Managed Services, Migration and Network Security related services



Industries we Serve

The extensive engineering, design, and technology expertise within the Company has enabled us to serve diverse industries, including:



Automotive



Off-Highway Equipment



Aerospace



Rail



Broadcast & Media



Communications



Healthcare & Life
Sciences



Appliances and
Consumer Electronics



Semiconductor

DID YOU
KNOW

Tata Elxsi has onboarded its TETHER Connected Vehicle Platform on 10,00,000+ Tata Motors vehicles, demonstrating its capabilities in the automotive sector



**Financial
Capital**



Infrastructure
Capital



Service and
Intellectual
Capital



Natural
Capital



Human
Capital



Social And
Relationship
Capital

Designing **Growth and Prosperity**






During the year, Tata Elxsi reported revenues that reflected a year-on-year growth of 13.0%. The Profit Before Tax (PBT) touched Rs. 1,048.7 crores, showing a 11.9% increase compared to the previous year, while the net profit stood at Rs. 792.2 crores, marking a 4.9% growth year on year.


Operating Revenue

Rs. **3,552.1** crores

13.0% —  —


EBITDA

Rs. **1,046.4** crores

8.9% —  —


EBIT

Rs. **946.9** crores

7.6% —  —

PAT

Rs. **792.2** crores

4.9% —  —

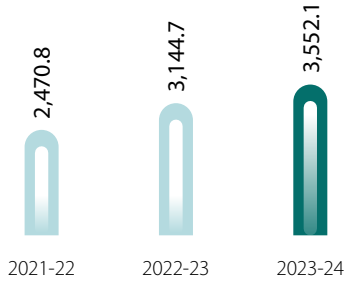
Earnings Per Share

Rs. **127.21**

KPIs

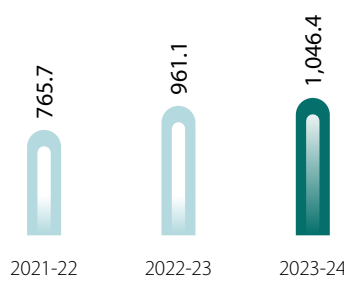
REVENUE FROM OPERATIONS

(Rs. in Crore)



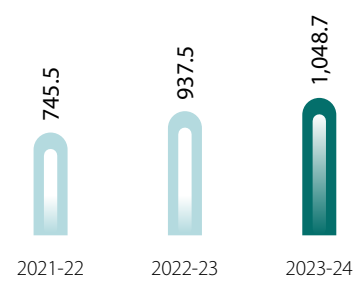
EBITDA

(Rs. in Crore)



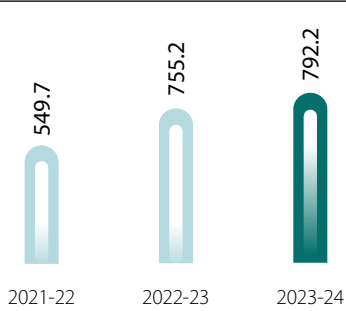
PBT

(Rs. in Crore)



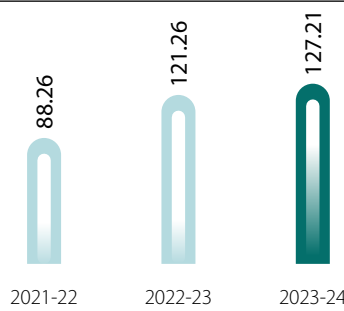
PAT

(Rs. in Crore)



EPS

(Rs.)



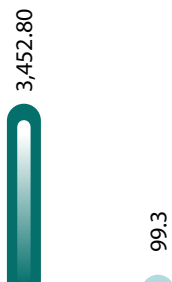
Growing across domains

Our Design Digital strategy continued to drive differentiation and growth through its approach to design-led engineering. Tata Elxsi's strategy of integrating its design business with the key industry verticals, complements the software and digital business with the proposition of design-led engineering. The integration of design capabilities with our three verticals is now complete, enabling a seamless end-to-end offering from ideation to market introduction. This enhances our competitive differentiation, providing early visibility into customer product roadmaps, and creating larger downstream development deals. The Software Development & Services (SDS), which includes the Industrial Design & Visualisation (IDV) business grew by 12.8% in 2023-24. The System Integration & Support (SIS) business segments saw a growth of 19% during the financial year.

Segment

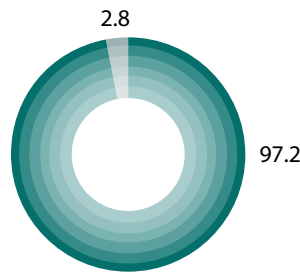
REVENUE GENERATED

(Rs. in Crore)



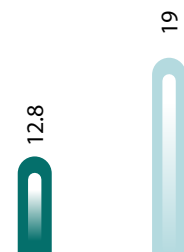
REVENUE CONTRIBUTION

(%)



Y-o-Y GROWTH

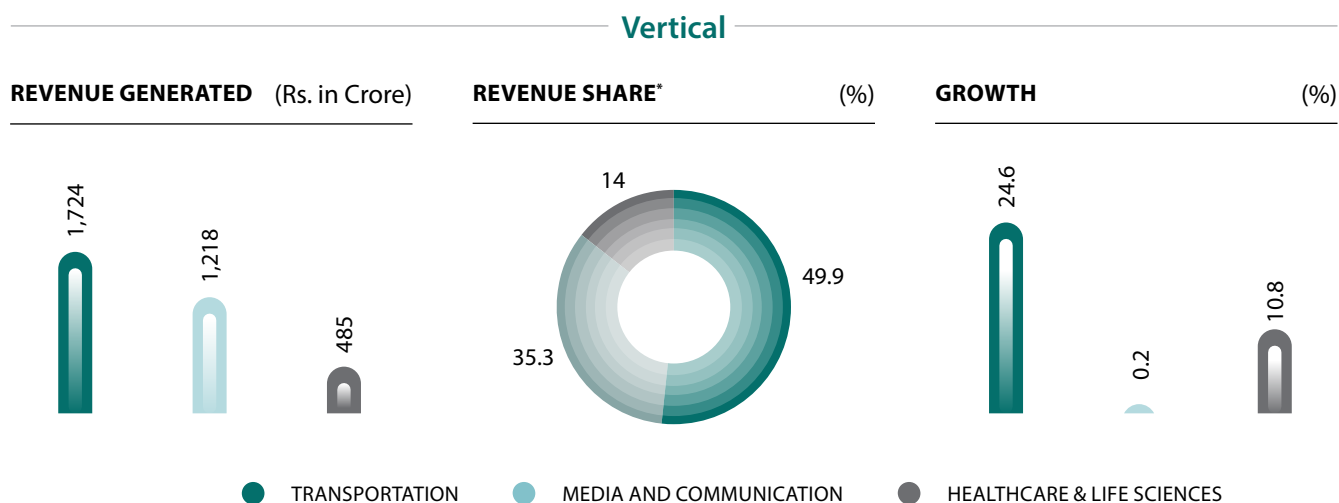
(%)



● SOFTWARE DEVELOPMENT & SERVICES (SDS) ● SYSTEM INTEGRATION AND SUPPORT (SIS)

Software Development & Services (SDS) – Robust performance across Verticals

Aided by large deals, SDV related engagements from OEMs in Transportation vertical, new product development and regulatory services deals in Healthcare & Life Sciences vertical, SDS saw a growth of 12.8% in 2023-24.



*Others 0.8%

During the financial year, Tata Elxsi registered revenue growth and industry leading EBITDA margins. This success underscores the strength of our offerings, our deep domain expertise, and our matured offshore delivery processes. Our performance reflects the dedication to advancing growth and ensuring financial robustness.

Economic Value Generated

(Rs. in Crore)

| Particulars | 2021-22 | 2022-23 | 2023-24 |
|--|---------|---------|---------|
| Net Profit After Tax | 549.7 | 755.2 | 792.2 |
| Income Tax Expense | 195.8 | 182.3 | 256.4 |
| Depreciation and Amortization | 55.3 | 81.4 | 99.4 |
| Operating profit before Working capital Changes | 789.5 | 981.4 | 1,094.3 |
| Net Cash (used in)/Generated from Operating Activities | 483.0 | 486.9 | 701.2 |
| Net Cash (used in)/Generated from Investing Activities | (108.3) | (201.9) | (270.1) |
| Net Cash (used in)/Generated from Financing Activities | (326.1) | (303.1) | (427.8) |
| Cash and Cash Equivalents at the End of the Period | 151.1 | 133.9 | 133.2 |



Financial
Capital



**Infrastructure
Capital**



Service and
Intellectual
Capital



Natural
Capital



Human
Capital



Social And
Relationship
Capital

Expanding **Our Presence**





We are committed to being the partners of our customers in their journey of growth by delivering cutting edge services, platforms and products. We have achieved this deep domain expertise through continuous investments in research & development and by expanding our presence to tap diverse resource pool across locations. With global presence and well-integrated teams, we pioneer innovations for exceptional results. Our growth strategy focuses on strengthening client relationships by understanding their business concerns and assisting them in their journey towards innovation and excellence.

Inaugurations of Innovation Hubs

- Global Design and Engineering Centre in Pune for automotive technologies
- Innovation Hub in Troy, Michigan, for smart mobility sectors

Alliances and Collaborations with:

- NIT-Kozhikode for an advanced laboratory in EV technologies
- Dräger to establish an Offshore Development Centre in Pune
- IIT-Guwahati for developing and commercialising state-of-the-art solutions for the Electric mobility market
- INVIDI Technologies to transform AdTech for PayTV
- Indian Institute of Sciences to develop Automotive Cyber Security Solutions

Design Studios

3

R&D Centres (India)

5

Office Locations

30+

During 2023-24, Tata Elxsi inaugurated a new Global Design and Engineering Centre in Pune, focusing on next-gen automotive technologies. The centre is tailored for automotive OEMs and Tier 1 suppliers, enabling over 1,000 specialists and labs for R&D in Software Defined Vehicles, Connected Services, Autonomous Technologies, Electrification, Mechatronics, and Design.

In a bid to strengthen our business endeavours in Europe, we have unveiled an Innovation Hub and nearshore engineering centre in Troy, Michigan, catering to the automotive and smart mobility sectors, with a focus on electric vehicles, green mobility, software, and digital engineering for OEMs and Tier 1 suppliers. The initiative is projected to grow to accommodate 200 employees by 2025, fostering collaborations with universities, research institutes, and startups.

Tata Elxsi has partnered with NIT-Kozhikode to establish an advanced laboratory for EV technologies at the NIT-Campus. We aim to facilitate collaborative research and technology innovation projects in the field of Electric Mobility.

Additionally, to drive critical care innovation in India, we have collaborated with Dräger to establish an Offshore Development Centre in Pune to develop advanced medical devices and showcase our R&D capabilities. The partnership aims to fast-track high-quality, cost-effective medical solutions, emphasising innovation and global healthcare impact.

DID YOU KNOW

Defender Rally Series and Tata Elxsi extend their partnership for the third consecutive season, facilitating the largest Defender Rally Series yet, featuring both UK and European Baja Championships



Our Strong Infrastructural Presence

We strategically expand worldwide by establishing new centres, partnerships, and offices, prioritising customer relationships and geographic proximity. We maintain flexibility, enabling engineering teams to work from customer locations, proximity centres or from offshore locations in India.



Thiruvananthapuram



Hyderabad



Disclaimer: This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees, cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind in connection to its accuracy or completeness.



Chennai



Kozhikode



Bengaluru



Financial
Capital



Infrastructure
Capital



**Service and
Intellectual
Capital**



Natural
Capital



Human
Capital



Social And
Relationship
Capital

Delivering **Service Excellence**





Over the years, Tata Elxsi has meticulously refined its offshore delivery model, ensuring world-class Engineering Research & Development (ER&D) offshoring services to its customers. Our comprehensive suite of project and process management tools ensures seamless execution of projects.

Tata Elxsi's exceptional service capital management is underpinned by a finely calibrated outsourcing model perfected over many years. Our excellence in outsourcing and deep domain expertise is a result of our employee friendly policies which attract and retain the best talent and provide a great learning environment.

In response to evolving customer expectations, regulatory constraints and business unit nuances, we implemented the Project Health Indicator (PHI). This critical internal tool functions as a detection system for methodical evaluations at various phases. To assess compliance with the various software development lifecycle protocols, we use comprehensive in-process compliance. This approach is supported by ongoing Customer Satisfaction (CSAT) indicators, as well as a variety of audits, assessments, and inspections performed by the Human Resources, Quality, and IT departments.

Reimagine Customer Experience



Human Centric Design

- › Users
- › Interactions
- › Experiences
- › Spaces
- › Data



Technology & Digital

- › AI/Gen-AI
- › AR/VR
- › 5G
- › IoT
- › Cloud



Transportation



Media & Telecom



Healthcare



The Future of Transportation

Software Defined Vehicle (SDV)

Autonomous

Connected

Software Defined

Electric

Products and Platforms

TETHER

autonomai

TATA ELXSI
AVENIR

AutomaTE

DID YOU
KNOW

Tata Elxsi and ARM are accelerating the transition to software-defined vehicles by enabling cloud-based development and deployment of high-performance automotive applications with their AVENIR software suite and AE technology



The Future of Media, Telecom & CE

AI-Powered Content, Consumer Experiences & Networks

- › Smart and Connected Products
- › Streaming Video and AdTech
- › Network Transformation



The Future of Healthcare

Powered by Data, Technology & Patient Centric Design

- Digital and Connected Health
- Intelligent Medical Devices
- Design-Led Patient Experience

DID YOU KNOW

Tata Elxsi and Tata Power Community Development Trust have launched the 'Pay Attention' initiative, leveraging the TEcare platform to revolutionise neurodiversity support for children with autism in India

Our Research and Development (R&D) capabilities are pivotal to our innovation strategy, focusing on bringing cutting-edge technology solutions to automotive, broadcast, and healthcare domains. Tata Elxsi excels in strategic collaborations with industry leaders, positioning itself at the forefront of technological advancements to deliver impactful solutions. Our patent team actively assists innovators in managing intellectual property rights and handling patent filings.



Re-Invent



Re-imagining Offerings

- Domain + Digital proposition
- AI + Automation in key customer engagements



Re-engineering our Talent

- AI ready workforce
- Encouraging experimentation



Renewing Ecosystem

- Silicon-to-Cloud
- Innovative Startup Partnerships



Recharging Business Models

- Value and Outcome-Led
- Accelerators and Platforms

During the year, our innovative contributions across various sectors were recognised with prestigious accolades. We recently received two prestigious iF Awards for:

UI/UX design
excellence for
the Sports and
Entertainment
OTT Experience
solution.



Product design
excellence
for the 'Aha!'
Tea Vending
Machine for
Chaayos.



Financial
Capital



Infrastructure
Capital



Service and
Intellectual
Capital



**Natural
Capital**



Human
Capital



Social And
Relationship
Capital

Designing with **Sustainability in Mind**





Tata Elxsi is committed to fostering sustainability through focused efforts on renewable energy and ethical practices benefiting the environment and society. Our initiatives are designed with the economic viability of future generations and the preservation of a safe environment in mind. Sustainability is ingrained at all levels of the Company, emphasising our dedication to combating climate change, promoting education, and engaging stakeholders towards achieving a unified vision of a sustainable future. We are proud to be recognised by EcoVadis for our responsible sustainable practices.

Our Environmental Stewardship Framework



Responsibilities



Climate Risk
Mitigation



Promoting
Sustainable
Practices



Transparency
in Reporting



Striving for:



Low-Carbon
Intensity



Water
Conservation
and
Treatment



Green House
Gas (GHG)
Emission
Control



Prudent
Waste
Management



Renewable
Power
Consumption



Initiatives Towards Environmental Sustainability

Tata Elxsi is firmly committed to sustainability, implementing a comprehensive range of initiatives to reduce environmental impact and promote responsible resource management. Central to this effort is our focus on enhancing energy efficiency, achieved through adopting energy-efficient technologies, intelligent energy management systems, employee awareness programs, and regular energy audits, resulting in cost savings and environmental benefits.

We are actively transitioning to renewable energy sources. This includes installing solar panels, procuring renewable energy from certified sources, and collaborating with renewable energy providers, all aimed at reducing reliance on fossil fuels and minimising our environmental footprint.

Our waste management initiatives prioritise minimising waste, proper waste segregation, continuous improvement, fostering resource efficiency, and environmental sustainability. Through these integrated sustainability initiatives, Tata Elxsi strives to promote environmental stewardship and building a brighter, more sustainable future for all.



ZERO
Waste-to-
Landfill

Assessment of climate change
risks for key office locations

100% of
Key Offices
by 2025

GHG emission intensity
(tCO₂e/mUS\$) Scope 1+2 carbon
emission intensity (per Full Time
Employee (FTE))

Reduced
by 56.65%

By 2030
aspire to be

Carbon
Neutral

Renewable energy in total
electricity use

40.19%

Wastewater treated
& recycled

100%

Kannamangala Lake
Restoration by Tata Elxsi



Financial
Capital



Infrastructure
Capital



Service and
Intellectual
Capital



Natural
Capital



**Human
Capital**



Social And
Relationship
Capital

Making Talent **Future-Ready**





In the journey toward success and sustained excellence, an organisation's foundation lies in its people and the culture they collectively cultivate. At Tata Elxsi, we take immense pride in fostering a culture built on equal opportunity and diversity, meritocracy and collaboration, and continuous learning.

Total Workforce

13,000+

Home to a Billion Possibilities!

Our commitment to employee welfare is encapsulated in our Employee Value Proposition (EVP) - 'Home to a Billion Possibilities!' This proposition symbolises Tata Elxsi as a nurturing home where individuals are empowered to explore endless opportunities and pursue accelerated growth. Through the EVP, we encourage our employees to be bold, curious, and proactive in shaping the future.

Underpinning our EVP are four pillars:



Go Beyond

pushyourlimits



Script Your Future

shapeyourcareer



You Matter

wecare



Learning, Everyday

becurious

Learning and Development Initiatives

At Tata Elxsi, the training initiatives are focused towards inspiring our employees to apply their knowledge and developing leadership through a range of initiatives including:



Tailored Learning Paths

Customised technology courses ensure that new hires are equipped with the targeted training and skills needed to excel in their roles from day one.



E-Learning

Employees have access to a diverse range of certification programmes offered by e-learning platforms, enabling them to expand their knowledge and expertise in areas relevant to their roles and career aspirations.



Leadership & Technical Development

Comprehensive programmes designed to empower employees with essential technical skills and competencies required to thrive in their roles and progress towards leadership in their careers.



Learnify Policy

Tata Elxsi's sponsorship programme facilitates employees' pursuit of relevant courses and certifications, enhancing their learning experience and career development.

Diversity, Equity and Inclusion

At Tata Elxsi, we are committed to fostering a diverse, equitable, and inclusive workplace. We ensure equal opportunities for all employees, irrespective of their background, through fair policies and practices.

She Matters Series

The 'She Matters' series at Tata Elxsi showcases the empowering stories of women. The video series aims to applaud and acknowledge inspiring women who are part of Tata Elxsi's workforce, emphasising their importance and impact within the Company.

Female Workforce

36%



Talent Management

Our talent management strategy is centered around attracting, developing, and retaining exceptional talent. Our approach includes ethical recruitment practices, emphasising integrity and respect for all prospective employees.

Punarjani - a Return to Work (RTW) Programme at Tata Elxsi, aims to reintegrate skilled professionals who have taken career breaks back into the workforce, fostering diversity, and enriching our talent pool.

Annualised Attrition Rate in 2023-24

12.4%

Engaging to Attract Talent - TELIPORT

During the year, we launched an engaging campus programme 'TELIPORT – Transcend into the World of Opportunities', which was a celebration of innovation and creativity designed to attract the brightest minds in technology and design from top Indian engineering colleges. The competition saw more than 6,500 registrations, leading to 13 students entering the final rounds from prestigious institutions like NIT Agartala, NIT Raipur, IIT Patna and Thapar University.



Employee Support Programmes

We understand the importance of supporting employee well-being and providing a supportive work environment. Our holistic approach underscores our commitment to creating a workplace that values employee happiness and success. Some of the key initiatives include:



Sanjeevani Portal

A comprehensive platform for employees and their families to access physical and mental health and wellness resources, promoting a healthy work-life balance.



Employee Health Platform

We partner with a leading health provider platform to offer employees unlimited access to medical consultations and support services.



1 to 1 Help

We provide our employees with completely private and confidential third-party access to counselling on an ad-hoc basis to support their mental health and well-being during challenging times.



Partnership with Cult.Fit

Partnered with Cult.Fit to offer our employees discounted memberships and access to fitness options like gyms and yoga, supporting their well-being.

Tata Elxsi is committed to nurturing a culture of growth, inclusion, and support for our employees. Through our EVP, learning initiatives, diversity efforts, talent management practices, and employee support programmes, we strive to create a workplace where every individual can thrive and reach their full potential. We believe in investing in our employees' growth and well-being and providing them with the opportunities and support they need to succeed.



Financial
Capital



Infrastructure
Capital



Service and
Intellectual
Capital



Natural
Capital



Human
Capital



**Social And
Relationship
Capital**

Creating **Societal Impact**





At Tata Elxsi, our commitment to social impact ensures that we prioritise the needs of our stakeholders. As businesses navigate the digital landscape, we assist our clients in driving transformative change. Through our Corporate Social Responsibility endeavours, we work towards tackling issues spanning education, healthcare, and environmental sustainability through partnerships and volunteering.

Community Engagement

At Tata Elxsi, we are committed to enhancing the quality of life in the communities we serve through long-term stakeholder value creation. Our Corporate Social Responsibility (CSR) initiatives are meticulously designed to address societal, local, and national goals across our operational regions, primarily focusing on Karnataka, Kerala, Tamil Nadu, and Maharashtra. We aim to significantly and sustainably impact communities affected by our business activities while also providing opportunities for our employees to contribute through volunteering efforts.

Total Beneficiaries Impacted

87,552

Team Volunteering

50,937 Hours

CSR Governance

Our CSR committee, consisting of two Independent Directors and the Managing Director, oversees our CSR endeavours, periodically recommending focus areas. We implement our initiatives through various channels, including our in-house teams, Tata Trusts and organisations focusing on our key themes.



Our CSR programmes and projects undergo rigorous evaluation through process indicators and clearly defined outcomes, which are reported at specified frequencies. Monitoring mechanisms include regular field visits, internal audits, and annual financial audits, ensuring transparency and accountability in our efforts to create positive change in the communities we serve.





Shiksha

Under the Shiksha Theme, several education and advanced research programs have been implemented, with a budget of over Rs. 5 crores for 2023-24, benefiting 22,332 individuals. The initiative promotes inclusivity, providing scholarships through partnerships with organizations like Vishwa Shanti Foundation, Team Everest, ATREE, and Swa-Roopwardhinee, targeting needy, orphaned, and single-parented students. Employee volunteering supplements these efforts with mentoring and teaching, alongside financial aid, to facilitate meaningful employment.

Needs assessments conducted in rural schools, orphanages, and technical schools have informed the interventions. In 2023-24, 400 students have received high-quality education, with a focus on gender inclusion—over 50% of scholarship recipients are girls. Integrated education programs in rural Kerala and Karnataka, in collaboration with the Centre to Promote Self-Organised Learning and CherYsh Trust, have improved Maths and English learning for 5,750 students.

Tata Elxsi has contributed to advanced research by sponsoring the Artificial Intelligence Lab at the Indian Institute of Science (IISc) since 2020-21, now upgrading it with high-performance servers. Additionally, Tata Elxsi has set up an Electric Vehicle (EV) laboratory at the National Institute of Technology (NIT) Calicut for research and education in EV technology, enhancing job prospects for students.

Support has also been extended to 92 neurodivergent students across Bangalore, Chennai, and Thiruvananthapuram, reinforcing the commitment to inclusive education and skill development.



Niramay

Through the Niramay initiative, we provide affordable healthcare to underserved communities through health clinics, mobile camps, and by enhancing charitable hospitals with vital diagnostic and surgical devices. In 2023-24, Rs. 3.9 crores were spent, benefiting over 53,000 people.

We have taken up a programme in Raichur, Karnataka, an aspirational district, distributing menstrual cups to 2,500 women, with plans to reach another 2,500 in 2024-25. This initiative improves health and hygiene while reducing waste from disposable products.

Additionally, Niramay supports IIT Madras in developing advanced prosthetic technologies, a powered wheelchair and a hand-neuro-rehabilitation device. The Neo Stand, a cost-effective motorised standing wheelchair, was launched in March 2024 and is now in commercial production. These efforts aim to significantly improve the lives of individuals with physical disabilities.



DISHA (Directive for Slum Health Action) is a community healthcare initiative by Tata Elxsi in partnership with Bangalore Baptist Hospital (BBH), targeting the DJ Halli slums of Bangalore, Karnataka. This program offers quality, accessible, and affordable medical care through multispecialty clinics and sustainable community empowerment efforts, benefiting approximately 15,000 people annually.

Recognising the healthcare access challenges in remote areas, Tata Elxsi collaborates with the King Edward Memorial Hospital Research Centre (KEM HRC) to improve health outcomes for the tribal population in Khed Taluka, Pune district. Launched in 2022-23, this multi-year program aims to reach 9,000 beneficiaries across 26 villages via regular mobile medical units, continuing until 2025-26.

The initiative has established 26 Arogya Kutis (village-level healthcare centres) and upgraded 26 ASHA workers to Bare Foot Doctors, providing primary healthcare services, reducing non-communicable diseases, anaemia, and TB. Regular health awareness sessions are conducted for beneficiaries. Additionally, three sanitary pad vending machines have been installed in three villages to provide low-cost, high-quality sanitary pads to women and adolescent girls, addressing menstrual hygiene.

Building on the success of this program, a similar project has been initiated in 15 villages in Karjat, Pune. Tata Elxsi also supports a home for 15 mentally challenged individuals and 50 senior citizens in Thiruvananthapuram.

Overall, these initiatives aim to provide comprehensive healthcare, improve health literacy, ensure faster access to medical services, and enhance the quality of life for underserved populations.



Paryavaran

Under this theme, we initiated a set of long-term programmes in 2023-24 to reinforce our commitment to the environment and to bring in a more focused approach towards preservation of natural resources. Some of the key program include, rejuvenation of urban lakes, plantations, livelihood enhancement programs for farmers, etc. In 2023-24 we have invested 2.8 crores in programs under this theme with a potential outreach to 11,500 beneficiaries.

We are working with 350 tribal farmers to create sustained livelihood opportunities through coffee plantations to improve the yield. In this multi-year project, 80 farm ponds, 13 solar pumps, and 357 smokeless chulhas have been provided. The income of 100 landless farmers is augmented by helping them set up 155 bee-keeping units and 100 poultry units. Hundred herbal gardens have also been set up.

In Bangalore, two urban lakes are being rejuvenated. One lake has been desilted and planted with 2,000 trees. The other lake will feature 500+ trees and shrubs, a biodiversity spot, wastewater treatment, and an amphitheatre. In partnership with the Wildlife Research and Conservation Society (WRCS), we are conserving the Koyna-Chandoli Forest corridor, planting 2,000 trees and assisting in the natural regeneration of 1,200 trees.

We also initiated a multi-year forestation project with the 14 Trees Foundation to convert 10 acres of barren land in Chakan, Khed Taluka, Pune districts into a biodiverse forest, targeting 4,000 plants. The volunteers have already planted 697 plants. These efforts reflect our commitment to environmental preservation and sustainable livelihoods.



Community Volunteering

While most of our CSR activities are conducted in partnership with NGOs and trusts, we ensure that Elxsians also contribute to our goal of creating social impact. As part of the community engagement initiatives, our employees volunteered for various programmes to benefit the community. Some of these initiatives include:

Shiksha

200 diploma students were guided and supported, in their academic journey by our volunteers. Additionally, mock interviews for 900 students were facilitated to refine their interview skills for future career opportunities.



Niramay

Essential medicines were distributed to orphaned children by our volunteers. They also conducted engagement and awareness activities like promotion of hygiene and animal welfare. Blood donation drives resulted in the donation of 609 units of blood.



Paryavaran

Our volunteers engaged in beach cleaning efforts, preventing the harmful impact of 1,287 kgs of plastic waste on marine ecosystems. Tree plantation drives in Bengaluru and Pune contributed significantly to greening urban spaces, with 2,000 and 3,600 plants, respectively. Additionally, activities like setting up kitchen gardens and organising turtle walks helped to foster community involvement in environmental conservation.



Per Capita Volunteering Hours

3.87

At Tata Elxsi, our commitment to societal impact drives us to innovate and evolve continually. Through CSR and volunteering initiatives, we proactively work towards countering social challenges in education, healthcare, community development and improving environmental sustainability.

DESIGNING BLUEPRINTS OF TRUST & FUTURE READINESS

The materiality assessment helps identify issues that have the potential to impact our business and are important to our stakeholders. Through this, we can prioritise and devise strategies on our road to creating a sustainable business. We continually and comprehensively assess a wide range of economic, environmental, social, and governance concerns to enhance our long-term resilience. To this end, we establish strategic priorities and develop targeted mitigation plans to address these issues.

Materiality Assessment Methodology

Our materiality assessment methodology comprises 4 successive steps. These steps help us identify and set the priority of each material topic according to the priority of the issues.



Materiality Analysis

We conduct materiality assessments as a means of prioritising the most pressing issues. Our approach involves a comprehensive analysis of sustainability megatrends within each region, global standards, peer benchmarking, and business challenges. This process yields valuable insights, allowing us to compile a list of the topics that matter most to the Company and its stakeholders. The Company's policies, code of conduct, and sustainability strategy demonstrates our dedication to sustainability. We constantly concentrate on the problems that are important to our stakeholders. We have adopted a two-factor approach to highlight these issues, considering both their effect on our business operations and their importance to our stakeholders. With the assistance of a recent materiality study we conducted, we were able to identify 12 material themes crucial to our business and stakeholders. The materiality map was then employed to determine and create the Company's ESG strategy.



Material Topics



Emissions and Climate Change

- Use variety of strategies, including energy efficiency and usage of renewable energy
- Reduce avoidable business travel to battle climate change and reduce CO₂ and other GHG emissions
- Preparing for how threats from climate change may affect our operations, the supply chain, and the community



Diversity, Equity, and Inclusion

- Foster a workplace that is accessible, and diversified, with equal opportunities
- Diversity in terms of gender, ethnicity, people with disabilities, and minorities



Corporate Governance and Conduct

- Foster a workplace that is accessible, and diversified, with equal opportunities
- Diversity in terms of gender, ethnicity, people with disabilities, and minorities



Talent Management

- Attract and develop talent, offer growth, and promote retention



Responsible Procurement and Supply Chains

- Promoting supplier sustainability
- Incorporating sustainability standards into the purchasing process
- Consulting and supporting suppliers in evaluation and improving their compliance to environmental, social (including human rights), and governance standards



Waste Management

- Use the 3R (Reduce, Reuse, and Recycle) to sustainably treat and discard waste generated during operations



Employee Well-being, Health & Safety

- Emphasise each employee's psychological physical and social well-being
- Promote work-life balance, flexi working, and an equitable, safe, and ergonomic workplace



Water Management

- Increase water availability in nearby areas by harvesting rainwater and recharging groundwater
- Reduce waste and promote wastewater recycling



Data Privacy & Security

- Protect the security of all stakeholders' data, including that of customers, suppliers, employees, and the organisation
- Protect against cyberattacks and system failures



Product and Service Stewardship

- Fulfilling emerging customer expectations
- Incorporating ESG in our product and services strategy
- Addressing social concerns through products and service innovations



Biodiversity

- Promote and preserve biodiversity

TRANSPARENT AND STRONG GOVERNANCE

At Tata Elxsi, we are committed to adhering to the highest standards of corporate governance. This reflects our dedication to being a purpose-led, people-centric, and performance-driven organisation.

As part of the Tata Group, we demonstrate a strong commitment to responsible corporate citizenship and sustainable business practices at Tata Elxsi by aligning with the Tata Code of Conduct. Our Code of Conduct is the foundational document that embodies the core values and principles guiding Tata Group companies, emphasising integrity, excellence, and ethical conduct. It serves as a compass for decision-making, ensuring adherence to the highest standards of corporate governance and ethical business practices.

In addition to this, our philosophy is also strengthened through the Tata Business Excellence Model, the Tata Code for Prevention of Insider Trading, and the Code of Corporate Disclosure practices. At Tata Elxsi, we prioritise ethical and responsible business conduct as the foundation of everything we do. We believe in transparency, integrity, and accountability in every aspect of our operations. Our governance policies are robustly designed and rigorously followed, creating a culture where compliance and ethical decision-making thrive at every level.

Governance Policies

Policy on Materiality of Event

Anti-Bribery and Anti-Corruption Policy

Anti Money Laundering Policy

CSR Policy

Policy for Prevention of Insider Trading

Policy on Board Diversity

Policy on Determination of Legitimate Purpose

Policy on Preservation of Documents

POSH Policy

Privacy Policy

Related Party Transaction Policy

Tata Code of Conduct

Tata Elxsi Sustainability Policy






Tata Elxsi Supply Chain and Procurement Policy

Whistle Blower Policy

Risk Management

The Board has adopted a Risk Management Policy to identify potential risks, implement measures to mitigate their impact, and/or likelihood and establish a governance structure to review them regularly, including cyber security risks.

The Board's Risk Management Committee reviews critical risks and provides executive insights and feedback on identified risks and treatment plans. Tata Elxsi has developed an Enterprise Risk Management (ERM) framework to anticipate, prioritise, and manage material risks impacting the Company's objectives. The Risk Management office ensures the deployment of the risk management process, assigning risk owners, monitoring action plans, assessing significant risks, and monitoring, with regular updates to the leadership team and reporting to the Risk Management Committee and Board. Our Enterprise Risk Management (ERM) framework is ISO 31000:2018 compliant and certified for conformity by a third-party certification body.

| Risk | Description of the Risk | Our Mitigation Measures |
|--|--|---|
|  Geopolitical | For us, geopolitical risk is a significant consideration, given our global presence and operations in multiple regions. This risk encompasses factors such as political instability, trade disputes, and regulatory changes that can impact our business operations and continuity. | <ul style="list-style-type: none"> Implementing robust business continuity and crisis management plans Diversifying our global delivery locations Strengthening local partnerships Enhancing supply chain resilience Closely monitoring geopolitical developments Engaging with industry bodies to stay ahead of emerging threats |
|  Currency | As a global technology services provider, we face exposure to currency fluctuations, which can impact our revenues and profitability. This risk arises from fluctuations in exchange rates that may affect the value of our revenues, costs, and cash flows denominated in foreign currencies. | <ul style="list-style-type: none"> Adopting a comprehensive foreign exchange risk management policy Utilising hedging strategies Implementing natural hedging through local sourcing Actively monitoring currency movements Maintaining a diversified revenue base across multiple geographies to balance currency exposures |
|  Compliance | At Tata Elxsi, compliance is a top priority, given our operations in highly regulated industries such as automotive, healthcare, and communications. Non-compliance can lead to legal and financial repercussions, affecting our reputation and market position. | <ul style="list-style-type: none"> Implementing a robust governance framework to address compliance risk Conducting regular audits and training programmes Adopting international standards such as ISO 27001, ISO 45001, TISAX, and Automotive SPICE Ensuring compliance and mitigating the risk of regulatory non-compliance |
|  Industry | As a technology services provider, we are exposed to industry-specific risks across our key verticals. These risks include rapid technological changes, market competition, and shifts in customer preferences, which can impact our business performance and growth prospects. | <ul style="list-style-type: none"> Developing deep domain expertise and tailored solutions for each industry to address industry-specific risks Anticipating and responding to evolving industry trends and customer requirements effectively Capability development in emerging technologies to service the evolving technology landscape |
|  Cybersecurity | We recognise the growing threat of cyberattacks, which can compromise data security, disrupt operations, and damage our reputation. Cybersecurity risk arises from vulnerabilities in information technology systems and networks that may be exploited by malicious members. | <ul style="list-style-type: none"> Deploying automated tools for integrated view of Tata Elxsi's cybersecurity posture, including vulnerability assessments Implementing comprehensive cybersecurity strategy to mitigate cybersecurity risks |

Notice to the 35th Annual General Meeting

Notice is hereby given that the **Thirty Fifth (35th) Annual General Meeting ('AGM')** of Tata Elxsi Limited ('the Company') will be held on **Wednesday, July 10, 2024, at 11:00 a.m. (IST), through Video Conferencing ('VC') or Other Audio Visual Means ('OAVM')** to transact the following businesses:

ORDINARY BUSINESS

Item No. 1 - Adoption of the Audited Financial Statements, Directors' and the Statutory Auditors Report for the Financial Year ended March 31, 2024

To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2024, together with the Reports of the Board of Directors and the Auditors thereon.

Item No. 2 - Declaration of Dividend

To declare a dividend of ₹ 70 per Equity Share of face value ₹ 10 each for FY 2023-24.

Item No. 3 - Appointment of Mr. Ankur Verma (DIN: 07972892), who retires by rotation.

To appoint a Director in place of Mr. Ankur Verma (DIN: 07972892) who retires by rotation and, being eligible, seeks re-appointment.

Date: April 23, 2024

Place: Bengaluru

Registered Office:

Tata Elxsi Limited

ITPB Road, Whitefield, Bengaluru - 560048

E-mail: investors@tataelxsi.co.in

Website: www.tataelxsi.com

CIN: L85110KA1989PLC009968

By Order of the Board of Directors

Sd/-

Cauveri Sriram

Company Secretary & Compliance Officer

NOTES:

1. In compliance with General Circular Nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 05, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 08, 2021, 10/2022 dated December 28, 2022 and 09/2023 dated September 25, 2023 issued by the Ministry of Corporate Affairs ("MCA") (hereinafter collectively referred to as "MCA Circulars") and the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the 35th AGM of

the Company is being held through VC / OAVM without the physical presence of Members at a common venue. The deemed venue for the 35th AGM will be the registered office of the Company - Tata Elxsi Limited, ITPB Road, Whitefield, Bengaluru - 560048.

2. The relevant details, pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standards-2 issued by ICSI, in respect of Directors seeking appointment/re-appointment at this Annual General Meeting is annexed.
3. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical

Notice to the 35th Annual General Meeting (Contd.)

attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for this AGM. Hence, proxy form, attendance slip and route map are not annexed to this Notice. However, Institutional Investors and Corporate Members are entitled to appoint authorised representatives to attend this AGM through VC / OAVM, participate thereat, and cast their votes through e-voting.

4. Institutional shareholders (i.e. investors other than individuals, HUF, NRI etc.) intending to appoint authorised representative to participate and/or vote through e-voting, are requested to send scanned copy of the certified true copy of Board Resolution/ Authority letter etc. to the Scrutiniser by e-mail to scrutinizer.tel@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders and Corporate Members may also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
5. The Members may join the AGM in the VC / OAVM mode thirty minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in this Notice.
6. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. In line with the General Circular Nos. 20/2020 dated May 05, 2020 and No. 02/2021 dated January 13, 2021, and the relevant circulars issued by SEBI, the Notice of this AGM along with the Integrated Annual Report 2023-24 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories/ RTA. The Notice of 35th Annual General Meeting and the Integrated Annual Report for FY 2023-24 is also available on the Company's website www.tataelxsi.com, websites of the Stock Exchanges, i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of NSDL <https://www.evoting.nsdl.com>.
8. Members desirous of seeking information regarding Accounts of the Company are requested to send their queries to telagm@tataelxsi.com on or before **Wednesday, July 03, 2024**.
9. In the case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM through e-voting.
10. The Register of Members and Share Transfer Books of the Company will remain closed from **Wednesday, June 26, 2024 to Wednesday, July 10, 2024 (both dates inclusive)** to determine the shareholders entitled to receive the Dividend as recommended by the Board of Directors for the financial year ended March 31, 2024.
11. If the dividend, as recommended by the Board of Directors, is approved at this AGM, payment of such dividend will be made as under:
 - a. To all Beneficial Owners in respect of shares held in dematerialised form as per the data as may be made available by the National Securities Depository Limited ('NSDL') and the Central Depository Services (India) Limited ('CDSL') as of the close of business hours on **Tuesday, June 25, 2024**
 - b. To all Members in respect of shares held in physical form after giving effect to valid transmission or transposition requests lodged with the Company as of the close of business hours on **Tuesday, June 25, 2024**
12. SEBI vide its notification dated January 25, 2022, has mandated listed companies to issue securities in dematerialised form only while processing

Notice to the 35th Annual General Meeting (Contd.)

service requests, viz., Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/ splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Further, as per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 01, 2019. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or M/s. Link Intime India Private Limited ('RTA'), for assistance in this regard.

The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participant with whom they are maintaining their demat account.

13. The Members are encouraged to furnish / update their PAN, KYC details including contact details & bank account details, Nomination and specimen signature with the RTA / the Company in specified forms. The Securities and Exchange Board of India ("SEBI") vide Master Circular dated May 17, 2023 and subsequent circular dated September 26, 2023 specified December 31, 2023 as the cut-off date by which Members holding shares in physical mode were required to furnish their PAN, KYC details including contact details & bank account details, Nomination and specimen signature with the RTA / the Company. Please note that unless the above details are updated with the RTA / the Company, Members would not be able to receive any correspondence(s) / information / intimation from the RTA / the Company.

Please note that it is also mandatory to link PAN with Aadhar number. Investors who are yet to link the PAN with Aadhar number are requested to complete the same. Securities held in physical folios which have no PAN registered / have invalid PAN registered / no PAN linked with their Aadhar numbers in the records of the RTA/Company shall be considered inoperative / inactive / incomplete.

The formats for nomination and updation of KYC details in accordance with the SEBI circular are available on the Company's website at <https://tataelxsi.com/faqs-and-forms> or <https://linkintime.co.in/home-KYC.html>.

Effective January 01, 2022, Grievance Redressal / Service Requests can be availed with the RTA only after the required documents / complete data as mandated are furnished for physical folios.

The duly filled-in Forms along with supporting documents may be sent to the RTA at their address – Link Intime India Private Limited, C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400083. Members may submit the duly filled complete set of scanned documents with e-sign* through e-mail. Please note that documents received only from the registered e-mail address of the shareholders will be considered. The documents received from e-mail address of brokers and third parties will not be entertained. Alternatively, Members may upload the documents on the website of the RTA.

**e-Sign is an integrated service which facilitates issuing a Digital Signature Certificate and performing signing of requested data by e-sign user. You may approach any of the empanelled e-sign Service providers available on <https://cca.gov.in/> for the purpose of obtaining e-sign*

14. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates,

Notice to the 35th Annual General Meeting (Contd.)

nominations, power of attorney, bank details such as the name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs, in case they hold the shares in electronic form and to the Company's Registrars and Transfer Agents, M/s. Link Intime India Private Limited for shares held in physical form, with relevant documents, by following the instructions given above.

15. **Manner of registration of e-mail address to receive the Annual Report for FY 2023-24 including AGM Notice:**

In terms of MCA Circulars, as a one time measure for the purpose of the 35th AGM, the Eligible Members, whose e-mail addresses are not registered with the Company / DP and who wish to receive the Annual Report along with the AGM Notice electronically and to cast the vote electronically, may register their e-mail addresses on or before **05:00 p.m. IST on Wednesday, June 26, 2024** pursuant to which such Member shall receive the Notice of this AGM along with the Annual Report 2023-24 and the procedure for remote e-voting along with the login ID and password for remote e-voting. In this regard, Members may refer and follow the below mentioned steps:

- a. Visit https://liiplweb.linkintime.co.in/EmailReg/Email_Register.html
- b. Select the name of the Company - **Tata Elxsi Limited** from dropdown
- c. Enter details in respective fields such as DP ID and Client ID (if you hold the shares in demat form)/ Folio no. and Certificate no. (if shares are held in physical form), Name of the Shareholder, PAN details, mobile number and e-mail ID
- d. System will send OTP on mobile number and e-mail ID
- e. Enter OTP received on mobile number and e-mail ID and submit

After successful submission of the e-mail address, NSDL will email a copy of the Notice of this AGM along with the Annual Report 2023-24 and the remote e-Voting user ID and password on the e-mail address registered by the Member. In case of any queries, Members may write to csg-unit@tpclindia.co.in or evoting@nsdl.co.in.

16. Members who have not claimed/received their dividend paid by the Company in respect of earlier years are requested to write to the Company's Registrar and Transfer Agent, Link Intime India Private Limited. Members are requested to note that in terms of Section 125 of the Companies Act, 2013, any dividend unpaid/unclaimed for a period of 7 years from the date these first became due for payment is to be transferred to the Central Government to the credit of the Investor Education & Protection Fund (IEPF). The details of the unclaimed dividends and the underlying shares that are liable to be transferred to IEPF are also available at the Company's website - www.tataelxsi.com. In view of this, members/claimants are requested to claim their dividends from the Company, within the stipulated timeline. The Members whose unclaimed dividends/ shares have been transferred to IEPF may claim the same by making an application to the IEPF Authority, in Form No. IEPF-5 is available on www.iepf.gov.in.
17. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 01, 2020, and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ Link Intime India Private Limited (in case of shares held in physical mode) and Depositories (in case of shares held in demat mode).

Notice to the 35th Annual General Meeting (Contd.)

18. A Resident individual shareholder with PAN and who is not liable to pay income tax may submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source, by email to Csgexemptforms2425@linkintime.co.in by **06.00 p.m. (IST), Wednesday, June 26, 2024**. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial rates under the tax treaty between India and their country of residence, subject to providing necessary documents, i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to nriexemptforms@tataelxsi.com. The aforesaid declarations and documents need to be submitted by the shareholders by **06.00 p.m. (IST), Wednesday, June 26, 2024**. For detailed instructions and formats of the Forms and documents to be submitted, please visit www.tataelxsi.com/investors/corporate-announcements.

19. **Members are requested to follow the below steps for updation of mandate for receiving dividend directly in bank account through Electronic Clearing System or any other means in a timely manner:**

Shares held in physical form: Members are requested to send the following details/ documents to the Company's Registrars and Transfer Agent ('RTA'), viz. Link Intime India Private Limited at C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai - 400 083:

- Form ISR-1 along with supporting documents. The said form is available on the Company's website at www.tataelxsi.com or <https://linkintime.co.in/home-KYC.html>.
- Form ISR-2 along with Cancelled cheque in original, bearing the name of the Member or first holder, in case shares are held jointly

For further details, Members are requested to refer to process detailed on www.tataelxsi.com.

Shares held in electronic form: Members holding shares in electronic form may please note that their bank details as furnished by the respective DPs to the Company will be considered for remittance of dividend as per the applicable regulations of the DPs and the Company will not be able to accede to any direct request from such Members for change/ addition/deletion in such bank details.

Further, please note that instructions, if any, already given by Members in respect of shares held in physical form, will not be automatically applicable to the dividend paid on shares held in electronic form.

20. Electronic copies of all the documents referred to in the accompanying Notice of the AGM and the Explanatory Statement shall be made available for inspection. Members desiring inspection of statutory registers and other relevant documents may send their request in writing to the Company at investors@tataelxsi.co.in.

VOTING THROUGH ELECTRONIC MEANS

- In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015, the General Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, the Company is pleased to provide Members the facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting ('AGM') by electronic means (by using the electronic voting system provided by NSDL) either by:

Notice to the 35th Annual General Meeting (Contd.)

- (i) remote e-Voting prior to the AGM or
 - (ii) e-Voting during the AGM
2. The remote e-Voting period (for e-Voting prior to the AGM) commences on **Saturday, July 06, 2024, at 09:00 a.m. (IST)** and ends on **Tuesday, July 09, 2024, at 05:00 p.m. (IST)**. The remote e-Voting module shall be disabled by NSDL for voting thereafter. The Members of the Company, holding shares either in physical form or in dematerialised form, as on the Cut-Off date of **Wednesday, July 03, 2024** may cast their vote by remote e-Voting. The voting right of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the Cut-Off date, being **Wednesday, July 03, 2024**. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently or cast a vote again.
3. The Board of Directors have appointed Mr. V Madan, Practicing Company Secretary (CP 21778) or failing him Mrs. Jayashree Parthasarathy, Practicing Company Secretary (CP 1988), who are not in the employment of the Company, as the Scrutiniser to scrutinise the voting at the AGM and remote e-Voting process in a fair and transparent manner.
4. The facility for e-Voting shall also be made available during the AGM, and Members attending the AGM through VC / OAVM, who have not already cast their vote by remote e-Voting, may exercise their right to vote during the AGM through the NSDL portal.
5. The Members who have cast their vote by remote e-Voting prior to the AGM can also participate through VC / OAVM but shall not be entitled to cast their vote through e-voting again.
6. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the Cut-Off date i.e. **Wednesday, July 03, 2024** may obtain the login ID and password by sending a request at evoting@nsdl.co.in.

The procedure to login to e-voting is detailed hereunder:





STEP 1: ACCESSING THE NSDL E-VOTING SYSTEM:

A. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020 captioned “e-voting facility provided by listed companies”, e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts/ websites of Depositories/ DPs in order to increase the efficiency of the voting process.

Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider (‘ESP’), thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs in order to access e-voting facility.

Notice to the 35th Annual General Meeting (Contd.)

| Type of shareholders | Login Method |
|---|--|
| Individual Shareholders holding securities in demat mode with NSDL. | <p>If the user is registered for NSDL IDeAS facility:</p> <ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. <p>If the user is not registered for NSDL IDeAS facility:</p> <p>If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>Voting and participating directly through the NSDL portal:</p> <ol style="list-style-type: none"> Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <p>NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  App Store </div> <div style="text-align: center;">  Google Play </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;">   </div> |

Notice to the 35th Annual General Meeting (Contd.)

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in demat mode with CDSL | <p>If the user is registered for CDSL's Easi / Easiest facility:</p> <ol style="list-style-type: none"> Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by Company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. <p>If the user is not registered for CDSL's Easi / Easiest facility:</p> <p>If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.</p> <p>Voting directly through the CDSL portal:</p> <ol style="list-style-type: none"> Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers. |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | <ol style="list-style-type: none"> You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Notice to the 35th Annual General Meeting (Contd.)

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

| Login type | Helpdesk details |
|--|--|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 / 2499 7000 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33 |

B. Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|---|---|
| a. For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b. For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12***** |
| c. For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Password details for shareholders other than Individual shareholders are given below:
 - a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote
 - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password

Notice to the 35th Annual General Meeting (Contd.)

- c. How to retrieve your 'initial password'?
 - i. If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'
 - ii. If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a. Click on **"Forgot User Details/ Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com
 - b. **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com
 - c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc
 - d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

STEP 2: CAST YOUR VOTE ELECTRONICALLY AND JOIN GENERAL MEETING ON NSDL E-VOTING SYSTEM.

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. **For joining the virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".**
3. Select "EVEN" of **Tata Elxsi Limited - 128784** (EVEN) for which you wish to cast your vote during the remote e-Voting period or casting your vote during the General Meeting.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

GENERAL GUIDELINES FOR MEMBERS

1. Institutional shareholders and Corporate Members (i.e. other than individuals, HUF, NRI etc.) are requested to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/

Notice to the 35th Annual General Meeting (Contd.)

Authority letter etc. who are authorised to vote, to the Scrutiniser by e-mail to scrutinizer.tel@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on “**Upload Board Resolution / Authority Letter**” displayed under “**e-Voting**” tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call at 022 - 4886 7000 / 2499 7000 or send a request at evoting@nsdl.co.in.

OTHER INSTRUCTIONS

1. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the Cut-Off date i.e. **Wednesday, July 03, 2024**. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-Off date only shall be entitled to avail the facility of voting, either through remote e-voting or voting at the AGM through electronic voting system or poll paper.
2. Any person, who acquires shares of the Company and becomes a Member of the Company after mailing of the Notice and holding shares as of the cut-off date, may obtain the login ID and

password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

3. The Scrutiniser shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the Meeting, thereafter, unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutiniser’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
4. The result declared along with the Scrutiniser’s Report shall be placed on the Company’s website www.tataelxsi.com and on the website of NSDL www.evoting.nsdl.com. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

Notice to the 35th Annual General Meeting (Contd.)

INSTRUCTIONS FOR MEMBERS ATTENDING THE AGM THROUGH VC / OAVM:

- Members will be able to attend the AGM through VC / OAVM or view the live webcast of the AGM provided by NSDL at <https://www.evoting.nsdl.com> by using their remote e-voting login credentials and selecting the EVEN -128784 for Company's AGM.
Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further, Members can also use the OTP based login for logging into the e-voting system of NSDL.
- Members are encouraged to join the Meeting through Laptops for better experience. Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that participants connecting from Mobile Devices or Tablets or through Laptop

connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

- Members who need assistance before or during the AGM can contact NSDL at evoting@nsdl.co.in, or call at 022 - 4886 7000 / 2499 7000 or write to the Company at telagm@tataelxsi.com
- Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address, mentioning their name, DP ID and Client ID/ folio number, PAN, mobile number at telagm@tataelxsi.com between **Monday, July 01, 2024 (09:00 a.m. IST) to Wednesday, July 03, 2024 (06:00 p.m. IST)** The facility to express views/ ask questions during the AGM shall be restricted only to those members who have pre-registered themselves as speakers. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

Date: April 23, 2024

Place: Bengaluru

Registered Office:

Tata Elxsi Limited

ITPB Road, Whitefield, Bengaluru - 560048

E-mail: investors@tataelxsi.co.in

Website: www.tataelxsi.com

CIN: L85110KA1989PLC009968

By Order of the Board of Directors

Sd/-

Cauveri Sriram

Company Secretary & Compliance Officer

Notice to the 35th Annual General Meeting (Contd.)

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No.3

Disclosure on appointment / re-appointment of Director pursuant to Clause 1.2.5 of Secretarial Standards-2 and Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

| | | |
|--|---|------------------------------------|
| Name | Ankur Verma | |
| DIN | 07972892 | |
| Date of Birth (Age) | March 25, 1976 (48) | |
| Date of appointment on the Board (initial) | August 01, 2018 | |
| Qualification | B.E. in Mechanical Engineering; PGDM from IIM, Calcutta | |
| Brief Resume | Please refer to the Corporate Governance Report Section of the Integrated Annual Report for details on the brief profile of Mr. Ankur Verma. | |
| Expertise in specific functional areas | <ul style="list-style-type: none"> ✓ Investment Banking ✓ Capital Markets Corporate Strategy | |
| Terms and Conditions of re-appointment | Proposed to be re-appointed as Non-Executive Non-Independent Director, liable to retire by rotation. | |
| Shareholding in Tata Elxsi Limited as on March 31, 2024 | Nil | |
| Relationship with Directors / KMP of Tata Elxsi Limited | No inter-se relationship with Directors and KMP's of Tata Elxsi Limited. | |
| Attendance at Board Meetings during FY 2023-24 | Number of meetings held | Number of meetings attended |
| | 5 | 5 |
| Remuneration drawn for FY 2022-23 | ₹ 4,40,000 (Sitting fees paid for attending the Board and Committee Meetings) | |
| Details of remuneration sought to be paid | Mr. Ankur Verma shall be paid sitting fees for attending the Board and Committee meetings. | |
| Directorship, Committee Chairmanship / Membership in other public companies | <p>Directorship:</p> <ul style="list-style-type: none"> • Tata Teleservices (Maharashtra) Limited • Tata Communications Limited • Tata Teleservices Limited • Tata Unistore Limited • Tata Capital Housing Finance Limited • Infiniti Retail Limited • Tata Play Limited • Tata Autocomp Systems Limited <p>Committee Membership:</p> <p>Tata Teleservices (Maharashtra) Limited</p> <ul style="list-style-type: none"> • Member – Audit Committee • Member – Stakeholders' Relationship Committee | |

Notice to the 35th Annual General Meeting (Contd.)

| | |
|---|---|
| | <p>Tata Teleservices Limited</p> <ul style="list-style-type: none"> • Member – Audit Committee • Member - Nomination and Remuneration Committee <p>Tata Capital Housing Finance Limited</p> <ul style="list-style-type: none"> • Member – Audit Committee • Member – Risk Management Committee • Member – CSR Committee <p>Tata Play Limited</p> <ul style="list-style-type: none"> • Member – Audit Committee • Chairman – Risk Management Committee <p>Tata Communications Limited</p> <ul style="list-style-type: none"> • Member – Audit Committee • Member – Stakeholders' Relationship Committee <p>Infiniti Retail Limited</p> <ul style="list-style-type: none"> • Member – Audit Committee • Member – Risk Management Committee <p>Tata Autocomp Systems Limited</p> <ul style="list-style-type: none"> • Member – Audit Committee • Member - Nomination and Remuneration Committee |
| Details of listed companies from which the appointee has resigned during the last three financial years. | Nil |

Directors' Report to the Members

TO THE MEMBERS OF TATA ELXSI LIMITED

1. Your Directors are pleased to present the Thirty Fifth Integrated Annual Report on the business and operations of the Company along with the audited financial statements for the financial year ended March 31, 2024.

2. FINANCIAL SUMMARY

The highlights of financial performance of the Company, for the year ended March 31, 2024, are summarised hereunder:

(₹ crore)

| | FY2023-24 | FY 2022-23 |
|--|-----------------|-----------------|
| Revenue from operations | 3,552.14 | 3,144.72 |
| Other income (Net) | 121.95 | 73.81 |
| Total Income | 3,674.09 | 3,218.53 |
| Profit before financial expenses, depreciation and tax | 1,168.37 | 1,035.09 |
| Less: Financial expenses | 20.26 | 16.20 |
| Depreciation/ Amortisation | 99.44 | 81.39 |
| Profit before tax | 1,048.67 | 937.50 |
| Tax expenses | 256.44 | 182.31 |
| Profit after tax for the year | 792.23 | 755.19 |
| Other Comprehensive income | (9.97) | (5.65) |
| Net Profit for the year | 782.26 | 749.54 |
| Add: Profit brought forward | 1,907.53 | 1,432.67 |
| Less: Dividend | 377.40 | 264.68 |
| Transfer to General Reserve | 10.00 | 10.00 |
| Balance Profit carried to Balance Sheet | 2,277.06 | 1,907.53 |

3. REVIEW OF OPERATIONS AND PERFORMANCE

The total income during the year under review increased by 14.20% from ₹3,218.53 crores in the previous year to ₹3,674.09 crores. The Profit Before Tax (PBT) was ₹1,048.67 crores as against ₹937.50 crores in the previous year. The Profit After Tax (PAT) was ₹792.23 crores against ₹755.19 crores in the previous year.

4. DIVIDEND

The Board of Directors are pleased to recommend a final dividend of 700% (₹70 per share), subject to tax, for the financial year ended March 31, 2024, on 6,22,76,440 equity shares of

₹10/- each fully paid-up, in comparison to 606% (₹60.60 per share) on 6,22,76,440 equity shares of ₹10/- each fully paid-up in the previous year.

The said dividend on equity shares is subject to the approval of the Members at the ensuing Annual General Meeting ("AGM") scheduled to be held on July 10, 2024. If approved, this will involve an outflow of ₹435.94 crores, compared to ₹377.40 crores, in the previous year.

According to the Finance Act, 2020, dividend income will be taxable in the hands of the Members w.e.f. April 01, 2020, and the Company is required to deduct tax at source from the dividend paid to the Members at prescribed rates as per the Income Tax Act, 1961.

Directors' Report to the Members (Contd.)

The Company's Dividend Distribution Policy, as adopted in line with Regulation 43A of the Listing Regulations is available on the website of the Company at the link: www.tataelxsi.com/investors/policies-and-disclosures.

5. TRANSFER TO RESERVES

Your Directors have approved a transfer of ₹10 crores to the General Reserves for the year ended March 31, 2024, as against an amount of ₹10 crores transferred in the previous year.

6. SHARE CAPITAL

As on March 31, 2024, the authorised share capital of the Company consisted of 7,00,00,000 equity shares of ₹10 each, and the paid-up equity share capital as on March 31, 2024, consisted of 6,22,76,440 equity shares of ₹10 each. During FY 2023-24, the Company has not issued any shares, securities / instruments convertible into equity shares, sweat equity shares and shares with differential voting rights.

7. TATA ELXSI LIMITED PERFORMANCE STOCK OPTION PLAN 2023

Pursuant to the approval of the Members vide special resolution passed through Postal Ballot on March 04, 2023, the Company had adopted and implemented the "Tata Elxsi Limited Performance Stock Option Plan 2023" (hereinafter referred to as "PSOP 2023" or "the Plan"), for grant of 3,11,000 fully paid-equity shares of ₹10/- (Rupee Ten Only), representing 0.50% of the issued share capital of the Company to the eligible employees of the Company.

The Plan is intended to reward, motivate and retain the Eligible Employees of the Company as defined in the PSOP 2023, (hereinafter collectively referred to as 'Eligible Employees') for their performance and participation in the growth and profitability of the Company. The said initiative to link the employee's performance in the Company along with other initiatives

would contribute to improve the performance of the Company. The Plan has been formulated in accordance with the provisions of the Companies Act, 2013 ('the Act') and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ('SBEB&SE Regulations') and during the year under review, there was no change in PSOP 2023.

The eligible employees shall be granted Performance Stock Options (PSOP), as determined by the Nomination and Remuneration Committee of the Board, which will vest as per the approved vesting schedule and are be exercisable into fully paid-up equity shares of ₹10/- (Rupee Ten Only) each of the Company, on the terms and conditions as provided under the Plan, in accordance with the provisions of the applicable laws and regulations for the time being in force.

During the year under review, the Nomination and Remuneration Committee approved a grant of 49,343 stock options to eligible employees of the Company as per the terms and conditions of the Plan. No employee was granted stock options equal to or exceeding 1% of the issued share capital of the Company. The Vesting period for the stock options granted under the PSOP 2023 shall not be less than one year and all the stock options would vest, based on the and conditions as detailed out in the Plan.

The statutory disclosures as mandated under the Act and SBEB&SE Regulations and a certificate from the Secretarial Auditors, confirming implementation of the Plan in accordance with SBEB&SE Regulations and shareholder's resolution have been hosted on the website of the Company at <https://www.tataelxsi.com/investors/policies-and-disclosures> and will be available for electronic inspection by the Members during the AGM of the Company. Members desirous of inspecting the certificate, may follow the procedure listed down in the Notes to the Notice of the Annual General Meeting.

Directors' Report to the Members (Contd.)

8. DIRECTORS AND KEY MANAGERIAL PERSONNEL

As on March 31, 2024, the Board of the Company comprised of six Directors, with three Non-Executive Independent Directors, two Non-Executive Non-Independent Directors and one Executive Director. The details of the Board composition including the profile of the Directors are available in the Corporate Governance Report section of the Annual Report.

The Board of the Company at its meeting held on April 03, 2024, based on the recommendation of Nomination and Remuneration committee, subject to the approval of the Members of the Company, considered and approved the appointment of Ms. Ashu Suyash (DIN: 00494515) and Mr. Soumitra Bhattacharya (DIN: 02783243) as Additional Directors (Non-Executive Independent Directors) for a period of 5 (five) years respectively, with effect from April 04, 2024 until April 03, 2029.

In accordance with Regulation 17(1C) of the Listing Regulations, your Company has sought the approval of the shareholders through the Postal Ballot vide Postal Ballot Notice dated April 23, 2024.

The profiles of Ms. Suyash and Mr. Bhattacharya are available on the website of the Company at <https://www.tataelxsi.com/board-of-directors>.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Ankur Verma, Director retires by rotation and being eligible, offers himself for re-appointment.

During the year under review, five (5) Board meetings were held on May 18, 2023, July 17, 2023, October 17, 2023, January 23, 2024 and March 22, 2024. Further details of the Board Meeting and Committee Meetings including the attendance of the Directors are provided in the Corporate Governance Section of the Annual Report. The calendar of meetings for FY 2023-24 had been circulated to all the Directors in advance detailing the schedule of Board and Committee meetings during FY 2023-24.

Pursuant to the provisions of Section 149 of the Act, the Independent Directors have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). The Directors have further confirmed that they are not debarred from holding the office of the director under any SEBI order or any other such authority. During FY 2023-24, there has been no change in the circumstances affecting their status as Independent Directors of the Company. Pursuant to Clause VII (1) of Schedule IV of the Companies Act, 2013, a separate meeting of the Independent Directors was held on May 09, 2023.

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/ Committee of the Company.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2024 are Mr. Manoj Raghavan, Managing Director and CEO; Mr. Gaurav Bajaj, Chief Financial Officer and Ms. Cauveri Sriram, Company Secretary & Compliance Officer.

9. DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2023-24.

Directors' Report to the Members (Contd.)

Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- a. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures
- b. The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of our state of affairs at the end of the financial year and of our profit for that period
- c. The Directors had taken proper and sufficient care, for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act 2013, for safeguarding the assets and for preventing and detecting fraud and other irregularities
- d. The Directors have prepared the annual accounts on a going concern basis
- e. The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively
- f. The Directors have devised proper systems to ensure compliance with provisions of all applicable laws and that such systems were adequate and operating effectively

10. PARTICULARS ON REMUNERATION

The statement containing particulars of the top 10 employees and the employees drawing remuneration in excess of limits prescribed under Section 197 (12) of the Act read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the Annexure forming part of this Report. In terms of proviso to Section 136(1) of the Act, the Report and Accounts are being sent to the Members excluding the aforesaid

Annexure. The said Statement is also open for inspection through electronic mode up to the date of the ensuing Annual General Meeting. Any Member interested in obtaining a copy of the same may write to the Company Secretary.

The particulars pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is attached with this report as **Annexure A**.

11. PERFORMANCE EVALUATION

The Company has laid down a process for performance evaluation of the Board and its Committees as well as a framework for evaluation of the performance of each of the Directors. The evaluation criteria include inter alia, structure of the Board, qualifications, experience and competency of Directors, diversity in Board, effectiveness of the Board process, information and functioning, Board culture and dynamics, quality of relationship between the Board and management, meetings of the Board, including regularity and frequency, discussion and dissent, corporate culture and values, governance and compliance, evaluation of risk amongst others. The criteria is based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 05, 2017. The evaluation process is conducted and monitored by the Chairperson, Nomination & Remuneration Committee ('NRC') in consultation with the members of the Committee. Upon the receipt of feedback from Directors, the Chairperson, NRC conducts a one to one meeting with the Members. Thereafter, the Chairperson, NRC briefs the Chairman of the Board on the outcome, which is subsequently discussed at the Board meeting.

For the financial year 2023-24, the performance evaluation has been conducted as per the process adopted by the Company, which is detailed out above.

Directors' Report to the Members (Contd.)

12. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Regulation 34 of the Listing Regulations, a separate section on Management Discussion and Analysis Report is annexed to this Directors' Report.

13. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars pursuant to Section 134(m) of the Companies Act, 2013 and read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is attached with this report as **Annexure B**.

14. INTEGRATED REPORT

The Integrated Report of the Company is prepared in accordance with the International Integrated Reporting (IR) framework published by the Value Reporting Foundation (VRF) which reflects the integrated thinking of the Company and its approach to its value creation. This report aims to provide a holistic view of the Company's strategy, governance and performance, and how they work together to create value over the short, medium and long term for our stakeholders. The narrative section of the Integrated Report is guided by the Integrated Reporting (IR) framework outlined by the International Integrated Reporting Council (IIRC).

15. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

In terms of Regulation 34(2) (f) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ('Listing Regulations') the Business Responsibility and Sustainability Report, in the prescribed format, forms an Integral Part of the Annual Report. An assurance report on the sustainability disclosures in the Business Responsibility and Sustainability Reporting for the financial year 2023-24 is a part of BRSR. This assurance report has been issued vide SEBI circular number SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated 12 July 2023.

16. CORPORATE GOVERNANCE

In terms of Regulation 34(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Corporate Governance Report, Management Discussion & Analysis Report, and the Auditors' Certificate regarding Compliance to Corporate Governance requirements forms part of this Annual Report.

17. CORPORATE SOCIAL RESPONSIBILITY

In line with Section 135 of the Companies Act, 2013 read with applicable rules made thereunder, Corporate Social Responsibility (CSR) Committee has been constituted for the purposes of recommending and monitoring the CSR initiatives of the Company.

The Board, based on the recommendation of the CSR Committee, has formulated and adopted a CSR Policy, in line with Section 135 of the Companies Act, 2013 read with the applicable rules made thereunder, which is available on the website of the Company at www.tataelxsi.com/investors/policies-and-disclosures.

The CSR objectives are designed to serve societal, local and national goals in the locations we operate, create a significant and sustained impact on local communities and provide opportunities for our employees to contribute to these efforts through volunteering.

The Annual Report on the CSR initiatives undertaken by the Company as per the Companies (Corporate Social Responsibilities Policy) Rules, 2014 (as amended) including the reasons for not utilising the complete amount for CSR as approved by the CSR Committee, is annexed as **Annexure C**. The details relating to the composition of the CSR Committee is provided in the Corporate Governance Report, forming part of the Annual Report.

18. RISK MANAGEMENT POLICY

The Board has adopted a Risk Management Policy to identify and categorise various risks,

Directors' Report to the Members (Contd.)

implement measures to minimise impact of these risks where it is deemed necessary and possible, and a process to monitor them on a regular basis including to review and monitor the cyber security measure. Further details on the Risk Management Framework is provided in the Corporate Governance Report, forming part of the Annual Report.

19. DEPOSITS FROM PUBLIC

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the Balance Sheet.

20. LOANS, INVESTMENTS AND GUARANTEES

There are no loans, guarantees and investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review.

21. AUDIT COMMITTEE

The Company has constituted an Audit Committee in compliance with Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. The Composition of the Audit Committee in terms of Section 177(8) along with its terms of reference incorporating its functions are disclosed and is available in the Corporate Governance Report forming part of the Annual Report.

During FY 2023-24, there are no such instances where the Board has not accepted the recommendations of the Audit Committee.

22. RELATED PARTY TRANSACTIONS

All Related Party Transactions that were entered during the year under review were on an arm's length basis and in the ordinary course of business and are in compliance with the applicable provisions of the Act and the Listing Regulations.

Pursuant to Section 188 of the Companies Act, 2013 read with rules made thereunder read with Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all material related party transactions require prior approval of the shareholders of the Company vide ordinary resolution.

At the 34th Annual General Meeting of the Company held on July 04, 2023, the Members of the Company had, inter alia, approved Material RPTs of the Company with Jaguar Land Rover Limited ("JLR") for an aggregate amount not exceeding ₹600 crores for the financial year 2023-24. Subsequent to increased engagement with JLR and considering that value of transactions with JLR are likely to exceed the limit approved at the 34th AGM, the Members of the Company had, vide Postal Ballot Notice dated February 13, 2024 through remote e-voting, approved the revision of the limit of the RPT with JLR to a maximum aggregated value of ₹675 crores for the financial year 2023-24.

In compliance with Section (188) of the Companies Act, 2013 read with applicable rules made thereunder and Regulation 23(4) of the Listing Regulations, the Members of the Company had, vide Postal Ballot Notice dated February 13, 2024 through remote e-voting, accorded approval to enter into material related party transactions with JLR for an aggregate value not exceeding of ₹1,000 crores during financial year 2024-25.

The Company has formulated and adopted a policy on dealing with related party transactions, in line with Regulation 23 of the Listing Regulations, which is available on the website of the Company at <https://www.tataelxsi.com/investors/policies-and-disclosures>.

As a part of the mandate under the Listing Regulations and the terms of reference, the Audit Committee undertakes quarterly review of related party transactions entered into by the Company with its related parties. Pursuant

Directors' Report to the Members (Contd.)

to Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013, the Audit Committee has granted omnibus approval in respect of transactions which are repetitive in nature, which may or may not be foreseen, not exceeding the limits specified thereunder. The transactions under the purview of omnibus approval are reviewed on quarterly basis by the Audit Committee.

Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014, the details of contracts / arrangements entered with related parties in prescribed Form AOC-2, is enclosed with this Report as **Annexure D**.

23. AUDITORS

23.1. STATUTORY AUDITORS AND THEIR REPORT

The Members of the Company at the 33rd AGM held on June 23, 2022, approved the appointment of M/s. BSR & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 101248W/W - 100022) as the statutory auditors of the Company for a period of 5 years commencing from the conclusion of the 33rd AGM, until the conclusion of the 38th AGM of the Company to be held in 2027.

The report issued by Statutory Auditors for financial year 2023-24 does not contain any qualifications or adverse remarks. The Statutory Auditors have not reported any no frauds under Section 143(12) of the Companies Act, 2013.

23.2. SECRETARIAL AUDIT AND REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014,

Ms. Jayashree Parthasarathy of M/s. Jayashree Parthasarathy & Co., Company Secretary in practice, was appointed to undertake the Secretarial Audit for financial year 2023-24.

The Report of the Secretarial Auditor along with the certificate of non-disqualification of Directors for the year ended March 31, 2024 is annexed to the Directors' Report as **Annexure E**. The report issued by Secretarial Auditor for financial year 2023-24 does not contain any qualifications or adverse remarks.

24. EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return for FY 2023-24 is available on Company's website at <https://www.tataelxsi.com/investors/policies-and-disclosures>.

25. VIGIL MECHANISM

Your Company has established a "Vigil Mechanism" for its employees and Directors, enabling them to report any concerns of unethical behaviour, suspected fraud or violation of the Company's 'Code of Conduct'.

To this effect, the Board has adopted a 'Whistle Blower Policy' (WBP), which is overseen by the Audit Committee. The policy inter alia provides safeguards against victimisation of the Whistle Blower. Employees and other stakeholders have direct access to the Chairperson of the Audit Committee for lodging concerns if any, for review. is available on Company's website at <https://www.tataelxsi.com/investors/policies-and-disclosures>.

The said policy has been posted on our intranet where all the employees have access. The Company conducts 'Policies Awareness Campaign' regularly for its employees at its various centres and the WBP features in these campaigns.

Directors' Report to the Members (Contd.)

26. COST RECORDS

Considering the services rendered by the Company, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013.

27. PREVENTION OF SEXUAL HARASSMENT

We have zero tolerance for sexual harassment at workplace and have adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder for prevention and redressal of complaints under the above Act. The Company has constituted an Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Four (4) complaints were received by the local Internal Complaints Committee during the year under review, and three complaints have been redressed as on March 31, 2024. The investigation pertaining to the pending complaint has been completed and grievance has been redressed as on the date of the Annual Report, in accordance with the Policy adopted by the Company and provisions of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013.

28. OTHERS

- There are no material changes and commitments affecting the Company's financial position

between the end of the financial year to which this financial statement relates and the date of this report.

- There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.
- The details regarding remittance of Unclaimed Dividend to Investors' Education & Protection Fund (IEPF) for financial year 2016-17 and thereafter in terms of Section 125 of the Companies Act, 2013 are disclosed and is available in the Corporate Governance Report forming part of the Annual Report.

29. SECRETARIAL STANDARDS

Your Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

30. ACKNOWLEDGEMENTS

Your Directors wish to thank employees, customers, partners, suppliers, and above all, our shareholders and investors for their continued support and co-operation.

For and on behalf of the Board

N. G. Subramaniam

Chairman

Bengaluru, April 23, 2024



MANAGEMENT DISCUSSION AND ANALYSIS

Global Economic Overview

The fiscal year 2023–24 was marked by volatile macroeconomic environment and related challenges that led to a modest expansion in the world economy. These issues presented a complex backdrop for economic strategies and policy-making on a global scale. During the first half of 2023, global central banks implemented higher policy interest rates, resulting in a more constrained credit environment.

The global economy is set to navigate through a period of moderated growth in 2024, with various regions facing distinct challenges and opportunities. It is anticipated that the worldwide economy in 2024 will expand by 3.1%, with the United States expected to grow by 2.7% in 2024 and in the Euro zone by about 1%. This is likely to be fuelled by an upswing in consumer spending, which bolstered the growth of real income and stimulated the overall recovery.

World Economic Outlook Update January 2024

Growth Projections

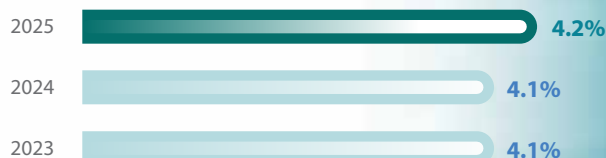
Global Economy



Advanced Economies



Emerging Markets & Developing Economies



Source: International Monetary Fund

Outlook

The outlook for the global economy in 2024 is one of cautious optimism, with growth expected to be moderate but resilient in the face of continuing challenges. India's GDP growth is estimated at 7.6% for the year ending March 31, 2024, with Moody's projecting a growth rate of 6.8% for CY 2024.

Trends to look out for include the impact of AI on productivity, cyber security, quantum computing, and cloud technology.

Industry Overview

The demand for enterprise software and IT services witnessed muted growth during the previous financial year. Focus towards driving efficiencies resulted in large-scale cost optimisation and automation projects. According to NASSCOM's Strategic Review 2024, global tech spending grew slower in CY 2023, at 4.4% YoY, primarily due to degrowth in hardware and devices.

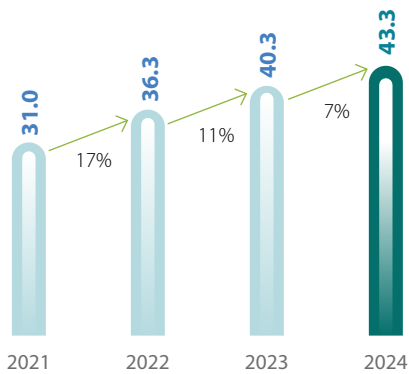
The technology industry in India mirrored the global trend by experiencing a slowdown in growth during 2023, with the industry witnessing a 3.8% growth, adding \$9.3 billion in incremental revenue, and reaching a total of over \$253.9 billion (including hardware).

The potential uptick in the industry through 2024 is likely to come on the back of several factors. These include anticipated higher digital spending in sectors like BFSI, Hi-tech, TMT, a stronger deal pipeline and project execution, and accelerated adoption of Artificial Intelligence across various industries.

Engineering Research & Development (ER&D)

Engineering Research and Development (ER&D) is critical to growth prospects of organisations with evolving demand for efficiencies, innovative engineering, and increasing adoption of digital technologies. ER&D spending is estimated to have grown 7-8% CAGR in 2020-2023 globally. With several sectors facing technological disruptions, there is a growing need for ER&D investments to transform business operations.

ER&D Revenue in US\$ Billion



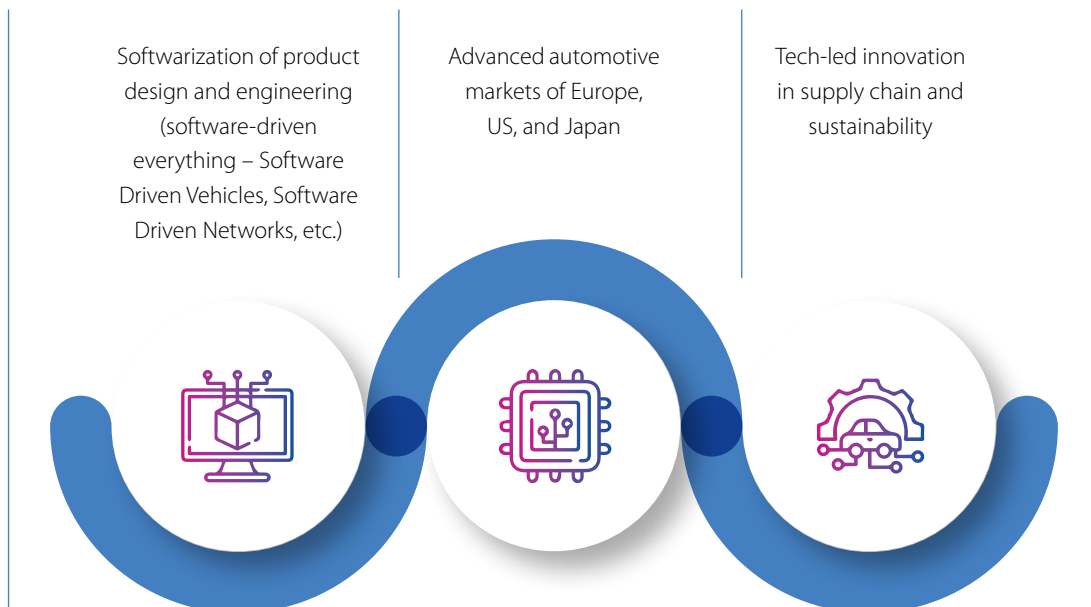
Source: Nasscom

Global business ER&D spending is expected to continue to grow at 8-9% annually in the next couple of years. Spending on ER&D is rising as a result of trends such as the need to improve traditional products and services by integrating them with digital technologies. These raise awareness of sustainability issues and the need to reduce carbon emissions, leverage artificial intelligence to improve service orientation. Automotive, Software, and Healthcare & Medical Devices are expected to be top three ER&D spend contributors.

The ER&D sector in India presents a promising outlook, with significant growth potential over the coming years. India is renowned for being an innovative middle-income economy and for having a sizable pool of highly skilled talent, hence, it would receive a sizable portion of this global ER&D outsourcing. The software, automotive, and semiconductor sectors are expected to be the key drivers of growth of ER&D outsourcing to India.

This positive industry outlook indicates a favourable environment for companies operating in the ER&D space within India. The projected growth presents opportunities for both domestic and international players to leverage India's unique combination of talent and innovation capabilities.

Business Growth Drivers in 2024-25





Automotive

In an environment where staying competitive has become imperative for automotive companies, automotive engineering services help enhance operational efficiency through the integration of advanced electronics and streamlined manufacturing processes. On the demand side, innovative technologies, new services, and increased connectivity are increasingly influencing consumer purchase decisions, nudging the OEMs to keep the technology refresh going.

Global car sales in 2023 were robust in both the US and Europe, as supply-side constraints receded significantly during the year. As we move into the year 2024, the focus is expected to shift from supply side constraints to market demand, more so in countries where the incentives for electric vehicles are expected to be gradually reduced.

In Automotive ER&D, the continued momentum in Software Defined Vehicles (SDV) is helping to counterbalance mild short-term market sluggishness in EV and autonomous vehicles. It is expected that during the year 2024, the automotive ER&D market would grow at a healthy pace of 8% to 10%.

The dominant deal themes across transportation are software defined vehicles and in-car/cabin experiences, electric power-trains, autonomous mobility, including off-highway vehicles, and battery charging solutions.

Also, there is an increased focus on sustainability and green engineering in the transportation sector. Growing environmental concerns are prompting a focus on fuel efficiency, emission reduction, and sustainable manufacturing practices, requiring specialized engineering services.

Tata Elxsi offers customers a compelling range of SDV service offerings with its complete SDV transformation engineering solutions, which includes its Connected Vehicle Platform - TETHER, digital services with AI/ML, cybersecurity, automotive core software, hardware, and cloud deployment services





Media and Telecommunications

After the spurt in Media and Communications growth during the pandemic years, there has been a continuous softening of the market situation. Consequently, the industry is witnessing a rapid shift in investments by media and telecommunication players – leaning more towards network and operations transformation with the objective of efficient and cost optimized operations.

According to Everest Group, during the first half of 2024, the market outlook for media and entertainment looks conservative, and is expected to marginally improve during the second half of 2024. Overall, in the media and entertainment vertical, the Engineering services outsourcing growth is anticipated to be low to mid-single digits.

Telecom service providers are yet to see the benefits of their 5G investments and are concentrating on developing new revenue sources, thus growth in the telecom sector is predicted to be muted in 2024 and in low single-digits.

Key deal themes shaping the media and telecommunications industry are media platform enhancements, optimisation of network operations, and automation. These include network modernization with intelligent solutions to automate maintenance and support, end-to-end private networks, network design and deployment & managed services development, deployment and managed services support.

In view of the changing market demand, Tata Elxsi has been continuously evolving its product and services

offering to address the emerging opportunities. As the market demand has changed, Tata Elxsi has been adapting its product and service offerings to take advantage of new opportunities. An award-winning suite of solutions from Tata Elxsi offers network automation and orchestration solution NEURON, test automation, Quality of Experience (QoE) testing platform QoEtient, OTT/IPTV platform TEPlay, CPE management and monitoring platform iCX, and extensive capabilities in Ad-Tech services and new-media design services.

Artificial Intelligence has enhanced each one of these products to provide clients with faster, more effective, and valuable solutions. All these solutions have been enriched with AI to deliver superior speed, performance and value to customers.

In line with the adoption of AI and Generative AI in media and entertainment industry, Tata Elxsi is developing a comprehensive suite of AI services offerings around production, monetization, metadata extraction and management for media assets, distribution and delivery, infrastructure monitoring using AIOps, video and image analysis for content moderation and many other AI and Gen-AI based offerings.

Tata Elxsi's partnership with RDK and wide gamut of service offerings in the area of network orchestration, SD/SD-WAN and Android TV is helping its customers pivot to next-gen entertainment, broadband and connectivity services.





Healthcare

The healthcare industry has witnessed a revolution with integration of digital technologies. Platform spending for connected medical devices and digitalization of healthcare; cybersecurity regulations and regulatory compliance for pharma and medical devices industry are some of the key trends defining the growth of engineering services in the industry.

A significant growth driver fuelling investments in the healthcare sector is the increasing trend of consumers self-monitoring their health via virtual health. The increasing use of patient-level data by companies to improve customer experiences and outcomes, intelligent platforms that enable personalized medical treatments based on every patient's needs, medical history, and payment based on patient health outcomes are all driving substantial investments in predictive healthcare.

It is expected that in 2024, engineering outsourcing in healthcare and life sciences would be growing at around 6% over the previous year. As compared to the traditional ER&D, the digital ER&D outsourcing is anticipated to grow at a faster pace during the

next couple of years. Amongst the digital ER&D in healthcare, patient monitoring and patient provider engagement solutions are expected to grow strongly. Patient monitoring includes telehealth, health monitoring using wearables and medication adherence tracking. Patient provider engagement solutions includes self-service machines and omnichannel communication experiences for patients.

Over last few years, Tata Elxsi has developed strong capabilities in medical device design and engineering, digital health engineering, medical device regulatory compliance and pharmaceutical & biotechnology compliance. In line with market trends, we have developed unique AI enabled telemedicine solution which integrates continuous glucose monitoring (CGM) systems with insulin delivery devices. To address the opportunities arising in the remote health monitoring and care segment, Tata Elxsi has developed strong capabilities in developing an integrated care management platform. This helps our customers in seamless integration of next generation intelligent applications with the provider's digital health platform.



Business Analysis

As one of the specialists in Engineering Research & Development (ER&D) with presence across North America, Europe, Japan, India and APAC, Tata Elxsi continues to drive innovation in Transportation, Media & Communication and Healthcare verticals. Our unique combination of domain expertise, digital capabilities and design-led approach allows us to secure our niche as a differentiated technology partner to deliver significant long-term value to our stakeholders, including business partners, clients, and shareholders.

The Company reported operating revenues of Rs. 3,552.1 crores in FY 2024, an increase of 13% year on year (YoY). This growth was volume-led with constant currency growth of 9.6% YoY. Our operating profit (EBITDA) was Rs. 1,046.4 crores, up 8.9% YoY, with EBITDA margins of 29.5%. Profit before tax stood at Rs. 1,048.7 crores, up 11.9% YoY. The Company's PAT for the year was registered at Rs. 792.2 crores, up 4.9% YoY.

The offshore revenue share was at 74.9% for the year. Your Company remains true to its fundamental model of offshore-led delivery, allowing us to focus on quality by leveraging the Company-wide expertise and optimising utilisation of specialised skills. The trust our customers place in us is the testimony to our track record of delivery excellence in this model.

During the year, the workforce grew by 13% with a net hire of 1,535 Elxsians. We continue to lead industry peers in employee retention, reporting an attrition rate of 12.4%. This aligns with our strategic focus on providing meaningful employee engagement that inculcates a strong sense of culture and identity. Tata Elxsi remains one of the most sought-after companies to work for and we have been able to attract world-class talent by rewarding performance and excellence at all levels.

The customer revenue concentration from our top 10 clients increased from 48.1% in FY 2023 to 53.1% in FY 2024, in line with our intent to increase wallet share and become strategic partners for our customers. Our geographical revenue contribution continues to remain diversified in line, with our long-term strategy, with the US contributing 38.3%, Europe 39.6% and India 16.6% as against 42.5%, 34.4% and 17.0%, respectively, clocked in FY 2023.

Our operations are classified into two business divisions, i.e., Software Development and Services and Systems Integration and Support.



Software Development and Services

Software Development and Services (SDS) delivers integrated design, software and digital offerings across key verticals.

Our design offerings and capabilities are deeply integrated with our key industry verticals, complementing our software and digital business with a design-led proposition.

This offers our customers a seamless end-to-end proposition from ideation to market introduction, and enhances our competitive differentiation, providing early visibility into customer product roadmaps, and creating larger downstream development deals.

The Software Development and Services business operates in three primary verticals: Transportation, Media & Communications, and Healthcare & Life Sciences. During FY 2024, the SDS business generated Rs. 3,452.8 crores in revenues, registering a growth of 12.8% YoY. This growth was primarily led by Transportation and Healthcare & Life Sciences, with Media and Communications growing at a relatively muted rate owing to difficult business environment globally for this industry.



Transportation

The Transportation vertical posted strong growth of 24.6% YoY, generating Rs. 1,723.9 crores revenue which comprises 49.9% of SDS operating revenue. Transportation continues to be a strong beacon of growth for Tata Elxsi, powered by landmark deals in the software-defined vehicle (SDV) and electric vehicle (EV) space driven by our differentiated software capabilities.

This growth results from our sustained customer traction of being the leading provider of transformative technologies for connected, autonomous and electric cars, with solutions like TETHER, AUTONOMAI platform for driverless cars, and e-Cockpit.

We also have a suite of EV solutions and expertise to provide OEM support for the design and development of inverters, electric motors, and battery management systems for EVs.

Software Defined Vehicle Platform is a key trend in the automotive industry, with OEMs investing in developing in-house SDV platforms.

We are now embedded in the SDV programs of 5 global OEMs, including a landmark multi-year large deal for SDV from one of the leading Automotive OEMs.

TETHER, Tata Elxsi's flagship Connected Vehicle Platform, is a cloud-based platform powered by IoT and AI/ML to allow a whole range of value-added services and monetisation for OEMs. It enables our customers to offer end customers a range of customer-centric and digitally enhanced features. With over 10,00,000 vehicles are now powered by TETHER, including personal vehicles, commercial vehicles, and EVs, the potential to leverage this platform for global OEMs is significant.

The design-led differentiation of Tata Elxsi is best illustrated by its engagement with Tata Motors for the Gen 3 HMI, a futuristic digital cockpit experience designed primarily for Electric Vehicles (EV) and Internal Combustion Engine (ICE) Vehicles. This solution won the esteemed German Design Award 2024. Tata Elxsi was involved across consumer research, detailed digital and experience design, prototyping, and validation. The Gen 3 HMI's features are inspired by global trends in HMI design that can cater to international markets. The Gen 3 HMI has already been introduced in the new range of SUVs such as the Harrier, Safari, and Nexon.

Tata Elxsi has been honoured with gold award at the Exchange4Media India Design Excellence Awards for Best Design for Automotive and Transport category.

We see strong demand for our connected vehicle offerings, having won a multi-year deal with a leading OEM for product engineering for a connected infotainment system, and another deal for multi-country licensing and deployment of our Connected Vehicle Platform (CVP) with a global top 5 OEM.

Apart from its offerings for the mainstream passenger vehicle segment, your Company has adjacencies such as off-road vehicles and rail to expand the addressable market while leveraging its strengths in automotive vertical. These adjacencies serve to provide some measure of risk diversification while still allowing for fungibility of domain expertise and application of deep domain knowledge into related fields.



Media and Communications

Our Media and Communications vertical posted a modest growth of 0.2% YoY, generating Rs. 1,217.5 crores revenue which comprises 35.3% of SDS operating revenue.

As beneficiaries of the accelerated spending during the pandemic period, media and telecom companies are now witnessing a demand correction and have significantly reduced spending during FY24. While there is macro-scale slowdown that the Media and Telecom sector is witnessing, we have been able to grow our market share, continuously engage with our partners and attract new customers, as displayed by our win of a product engineering consolidation deal for a leading multiple-system operator (MSO) in North America.

During the period, we have expanded into LATAM and MEA Region, winning large deals and customers in these two regions. In the LATAM region, Tata Elxsi has been chosen as a strategic partner for transformation of video services across multiple countries for a LATAM headquartered multi-country operator. This is a 5-year deal to develop and deploy next generation video technologies. Tata Elxsi won the Broadcast Pro Manufacturer award for 'Best in Linear Distribution' for its work with OSN in Dubai for the successful development and launch of the OSNTV Box.

We continue to grow our offerings in media and telecommunication and see sustained interest in our solutions including QoEtient (Video Test automation and Quality of Experience monitoring), AIVA (Intelligent Video Analytics),

TEPlay (White label OTT Platform) and iCX (device monitoring and management solution for operators) among others.

Tata Elxsi's AI-powered OTT platform won the prestigious iF Design Award 2024 for OTT User Experience design. This is testimony to the design-led digital offerings to enhance the value proposition to clients in the industry.

In FY24, we launched NEURON, our autonomous network platform that enables telecommunication operators to progress towards Zero-Touch Automation. Serving millions of subscribers with 10,000+ virtualised network functions (VNFs/CNFs), NEURON integrates seamlessly with existing infrastructure, including IT, legacy systems, and OSS/BSS. This creates secure, multi-domain, multi-cloud networks that are easy to manage and deliver significant OPEX savings.

We are proud to mention that Tata Elxsi has been awarded Platinum Winner for the 'Best Network Orchestration Solution in TELCO' at the Future Digital Award by Juniper Research and Product of the Year at the Industry DevOps awards event at London for our ground-breaking network automation product – NEURON. These awards recognize the best products and platforms in the world for telecom sector.

NEURON was chosen by a leading telecommunications company for its upcoming network rollout and deployment, that will encompass customization, deployment, and support for the next 10 years.





Healthcare & Life Sciences

The Healthcare & Life Sciences vertical posted a growth of 10.8% YoY, generating Rs. 484.9 crores revenue which comprises 14% of SDS operating revenue.

The healthcare industry is at the inflection point of a digital transformation, with more institutions investing into connected and smart devices, shift of operations to digital workflows, usage of analytics and increased awareness of regulatory norms, resulting in the opening of new opportunities to enter the field of digital diagnostics and connected healthcare.

Tata Elxsi continues to build business traction on its multiple award-winning solutions, including TEngage (the first-ever digital health platform for omnichannel care that offers a unified patient experience), TEDREG (global regulatory intelligence platform that monitors and captures real-time updates to global healthcare standards to allow companies to stay updated and ensure their products are compliant with global policy), Digital Health Platform (digital front door to all telehealth services) and TEcare (configurable platform for digital therapeutic solutions).

We continue to solidify our position as one of the leading digital healthcare providers and this effort can be seen through our multiple deal wins. Tata Elxsi won a design-led New Product Development (NPD) deal from a Global Healthcare company to innovate a new line of next-gen Smart Hospital equipment. Additionally, a global medical devices leader has selected Tata Elxsi for global regulatory services using the latest AI and algorithm-based technology to improve compliance and reduce spend.



Other Industries

The Company continues to invest in exploring offerings and customer projects in new industries, winning awards and global recognition for its innovation and seamless blending of consumer-centric design with technology. The 'Aha!' Tea Vending Machine for Chaayos was the recipient of the prestigious iF Award for product design.

In the UAE market, Tata Elxsi also unveiled a cutting-edge container design for Dabur's Vatika Shampoo line. The pack design cut down on plastic consumption without sacrificing the structural integrity, usability, or functioning of the bottle.

The rest of SDS revenues comprises of innovation and design-led projects in other industries, including consumer packaged goods, retail, energy and utilities, manufacturing, adding diversity to the application of design and digital technologies, and creating possibilities for future verticals for the Company.



AI and Gen AI Focus

On the AI and Gen AI front, we continue to invest strongly in solutions, POCs and projects, ramping up talent across the Company.

We are applying Gen AI to workflows and processes, regulatory work, automation of network operations as a new service framework and solutions.

We have created and deployed specialized programs to get 25% of our engineers AI-ready in the third quarter of FY 2025. We are creating programs to enthuse our talent base to experiment and innovate using Gen AI across design and software. For example, we hosted a Gen AI hackathon in January 2024 with over 70 teams participating from across the country.

The large deal that we announced in the healthcare regulatory space already uses automation and AI to deliver efficiency, speed and higher quality to workflows for our customers. We are also enriching our in-house platforms such as NEURON, iCX, and TEcare with Gen AI to enable new use cases and customer experiences.



Systems Integration and Support (SIS)

Tata Elxsi's System Integration and Support business traditionally focussed on reselling and maintaining infrastructure, compute and connectivity solutions for enterprises. Over the past few years, it has been pivoting to value-added professional services, as well as monitoring and management of cloud-based applications for enterprises.

It is on a transformation path of becoming a natural extension of our design and software development services to customers in our key verticals. With the integration of cloud-based technology into our offerings, we have observed shift of client engagements from Product to Product Plus as the IT & Infrastructure pipeline gets extended and integrated.

Revenue generated through System Integration Services (SIS) stood at Rs. 99.3 crores, reporting growth of 19% from FY 2022-23, underscoring the pivot from traditional reseller and support services, to include multi-year annuity driven managed professional services.

We are now extending our customer engagements beyond the deployment/release of our products and platforms and are part of critical post-release services including bug-testing, software updates, analytics, and customer care. We are strengthening our value proposition to our customers, thereby allowing us to remain relevant through their entire product cycle.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT



Tata Elxsi, one of the leading providers of ER&D services, is focused on creating new opportunities to impact the customer experience and drive growth. The Company commenced its operations in 1989 with the mission to foster innovation in the fast-emerging IT market and accelerate the adoption of leading-edge technologies.

Today, Tata Elxsi is one of the leading design, technology, and innovation partners for businesses, working right from advanced R&D in new technology and system architecture exploration to actual development, validation, and deployment. Additionally, with our digital design approach, we help customers reimagine their products and services by providing underlying technologies with a human-centred, design-led perspective.

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

| | | | | |
|-----|---|--|---|---|
| 1. | > | Corporate identity number (CIN) of the listed entity: | > | L85110KA1989PLC009968 |
| 2. | > | Name of the listed entity: | > | Tata Elxsi Limited |
| 3. | > | Year of incorporation: | > | 1989 |
| 4. | > | Registered office address: | > | ITPB Road, Whitefield, Bengaluru - 560 048, India |
| 5. | > | Corporate address: | > | ITPB Road, Whitefield, Bengaluru - 560 048, India |
| 6. | > | E-mail: | > | investors@tataelxsi.com |
| 7. | > | Telephone: | > | 080 2297 9123 |
| 8. | > | Website: | > | www.tataelxsi.com |
| 9. | > | Financial year for which reporting is being done: | > | April 01, 2023 to March 31, 2024 |
| 10. | > | Name of the Stock Exchange(s) where shares are listed: | > | BSE Ltd. National Stock Exchange of India Ltd. |
| 11. | > | Paid-up capital: | > | ₹ 6,227.64 lakhs comprising 622.76 lakhs equity shares of ₹ 10 each |
| 12. | > | Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report: | > | Name: Dr. Sajiv Madhavan Designation: Chief Risk & Sustainability Officer Telephone: 080 2297 9302 Fax: 080 2841 1474 E-mail: investors@tataelxsi.com |
| 13. | > | Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together): | > | The disclosures in this report are presented on a standalone basis. |
| 14. | > | Name of assurance provider: | > | ISOQAR |
| 15. | > | Type of assurance obtained: | > | Reasonable assurance from third-party |

II. Products/Services

16. Details of business activities (accounting for 90% of the turnover):

Tata Elxsi offers design and technology services to various industries, including transportation, healthcare and life sciences, media & communication. The Company's services are categorised into 'Software Development & Services' and 'Systems Integration & Support.'

| S. no. | Description of main activity | Description of business activity | % of turnover of the entity |
|--------|-----------------------------------|--|-----------------------------|
| 1. | Software Development and Services | Software Design, Development and Testing | 97.2% |
| 2. | Systems Integration and Support | Systems Integration | 2.8% |

17. Products/services sold by the entity (accounting for 90% of the entity's turnover):

| S. no. | Product/service | NIC code | % of turnover of the entity |
|--------|-----------------------------------|----------|-----------------------------|
| 1. | Software Development and Services | 62013 | 97.2% |
| 2. | Systems Integration and Support | 62020 | 2.8% |

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

| Location | Number of plants | Number of offices | Total |
|---------------|------------------|-------------------|-------|
| National | NA | 8 | 8 |
| International | NA | 15 | 15 |

19. Markets served by the entity:

a. Number of locations

| Location | Number |
|----------------------------------|-------------------|
| National (No. of states) | 5 States and 1 UT |
| International (No. of countries) | 24 |

b. What is the contribution of exports as a percentage of the total turnover of the entity?

More than 80% of our total revenue comes from exports.

c. A brief on types of customers

Tata Elxsi's clientele spans industries like transportation, healthcare, media & communication worldwide. Moreover, this includes OEMs, service providers, and Tier 1, and Tier 2 suppliers.

IV. Employees

20. Details as at the end of financial year:

a. Employees and workers (including differently abled):

| S. no. | Particulars | Total (A) | Male | | Female | |
|-----------|--------------------------|-----------|---------|---------|---------|---------|
| | | | No. (B) | % (B/A) | No. (C) | % (C/A) |
| EMPLOYEES | | | | | | |
| 1. | Permanent (D) | 12,969 | 8,299 | 64% | 4,670 | 36% |
| 2. | Other than permanent (E) | 182 | 144 | 79% | 38 | 21% |
| 3. | Total employees (D + E) | 13,151 | 8,443 | 64% | 4,708 | 36% |
| WORKERS | | | | | | |
| 4. | Permanent (F) | 0 | - | - | - | - |
| 5. | Other than permanent (G) | 405 | 307 | 76% | 98 | 24% |
| 6. | Total workers (F + G) | 405 | 307 | 76% | 98 | 24% |

b. Differently abled employees and workers:

| S. no. | Particulars | Total (A) | Male | | Female | |
|-----------------------------|--|-----------|---------|---------|---------|---------|
| | | | No. (B) | % (B/A) | No. (C) | % (C/A) |
| DIFFERENTLY ABLED EMPLOYEES | | | | | | |
| 1. | Permanent (D) | 9 | 6 | 67% | 3 | 33% |
| 2. | Other than permanent (E) | 0 | 0 | 0 | 0 | 0 |
| 3. | Total differently abled employees (D + E) | 9 | 6 | 67% | 3 | 33% |
| DIFFERENTLY ABLED WORKERS | | | | | | |
| 4. | Permanent (F) | 0 | - | - | - | - |
| 5. | Other than permanent (G) | 0 | - | - | - | - |
| 6. | Total differently abled workers (F + G) | 0 | - | - | - | - |

Tata Elxsi presently does not have any workers with disabilities. However, we maintain a non-discriminatory approach towards them and applies the same policies to all our employees and workers, including during recruitment.

21. Participation/inclusion/representation of women

| | Total (A) | No. of percentage of females | |
|--------------------------|-----------|------------------------------|---------|
| | | No. (B) | % (B/A) |
| Board of Directors | 6 | 1 | 16.67% |
| Key Management Personnel | 3 | 1 | 33.33% |

22. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

| | 2023-24 (Turnover rate in current FY) | | | 2022-23 (Turnover rate in previous FY) | | | 2021-22 (Turnover rate in the year prior to the previous FY) | | |
|---------------------|--|--------|-------|---|--------|-------|---|--------|-------|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Permanent employees | 12.6% | 12.1% | 12.4% | 17.5% | 17.1% | 17.3% | 21.5% | 19.6% | 20.8% |
| Permanent workers | - | - | - | - | - | - | - | - | - |

V. Holding, subsidiary and associate companies (including joint ventures)

23. (a) Names of holding/subsidiary/associate companies/joint ventures

| Name of the holding/ subsidiary/associate companies/joint ventures (A) | Indicate whether holding/ subsidiary/associate/joint venture | % of shares held by listed entity | Does the entity indicated at column A, participate in the business responsibility initiatives of the listed entity? (Yes/No) |
|---|--|--------------------------------------|---|
| Tata Sons Private Limited | Holding | 42.22% | Yes |

VI. CSR details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover (in ₹): 3,55,214.57 lakhs

(iii) Net Worth (in ₹): 2,50,565.00 lakhs

VII. Transparency and disclosures compliances

25. Complaints/grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

| Stakeholder group from whom complaint is received | Grievance redressal mechanism in place (Yes/No) | 2023-24 (Current financial year) | | | 2022-23 (Previous financial year) | | |
|---|---|--|--|---------|--|--|---------|
| | (If yes, then provide the weblink for the grievance redress policy) | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Communities | Yes | – | – | – | – | – | – |
| Investors (other than shareholders) | Yes | – | – | – | – | – | – |
| Shareholders | Yes | 94 | 7 | – | 63 | 3 | – |
| Employees and workers | Yes | 1 | 0 | – | 3 | 0 | – |
| Customers | Yes | 21 | 0 | – | – | – | – |
| Value chain partners | Yes | – | – | – | – | – | – |
| Other (please specify) | - | – | – | – | – | – | – |

- The policies governing Tata Elxsi's conduct, including the grievance redressal mechanism, are available on the Company's website at: <https://www.tataelxsi.com/investors/policies-and-disclosures>
- The Company provides a mechanism to address the grievances of its shareholders. TSR Consultants Private Limited has been appointed as the Share Transfer Registrars/Agents and is responsible for addressing shareholders' inquiries, requests, and complaints. The Share Transfer Registrars/Agents operate within the guidelines established by SEBI and respond to such grievances through a designated email address.
- The Company's Whistle Blower Policy is available to all employees and workers. Additionally, Tata Elxsi offers various communication channels, including an email address, and written complaints, to address any grievances through the Whistle Blower mechanism.
- Customers have multiple communication channels to address their grievances, including project reviews, periodic meetings at various levels and a portal to raise issues/complaints.
- Value chain partners can avail the grievance redressal mechanism through various channels, including an email address, a shared service helpdesk, and the Global Whistle Blower Policy.

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

| S. no. | Material issue identified | Indicate whether risk or opportunity. (R/O) | Rationale for identifying the risk/opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------|---|---|--|--|--|
| 1. | Employee well-being, health, and safety | Risk | Employees of the Company are paramount to Tata Elxsi, and its vision includes 'to be a preferred employer of choice,' towards which health and well-being is essential. | Offering awareness and training programmes, 24*7 support for physical and psychological issues, a doctor on-campus, and mandatory medical check-ups. | Negative |
| 2. | Talent management | Risk | Requiring constant upgradation of high-end skills and research capabilities, the Company's ER&D remains at the forefront | Enhancing investment in L&D tools, systems, and content towards capability development. | Negative |
| | | Opportunity | Improving Tata Elxsi's ability to work with advanced technology and achieve its mission of being the preferred partner for its customers. | - | Positive |
| 3. | Data privacy and security | Risk | Safeguarding the enterprise data and fulfilling the contractual responsibility to customers. Additionally, the increasing landscape of data privacy laws across the globe poses a risk of penalties for non-compliances and reputational loss. | Improved cybersecurity measures like robust processes, policies, awareness, and sensitisation programmes. | Negative |
| | | Opportunity | As devices become smart and connected, they also become vulnerable to attacks. This presents a good opportunity to secure equipment and create a safe environment for the Company's operations. | Developing capability and demonstrators to address potential commercial opportunity. | Positive |
| 4. | Corporate governance and conduct | Risk | Corporate governance is critical for the success of Tata Elxsi, and any risks can result in reputation loss, damage to stakeholder trust, and business disruption. | Periodical internal reviews, audits and presentations on changes introduced by regulators. | Negative |

| S. no. | Material issue identified | Indicate whether risk or opportunity. (R/O) | Rationale for identifying the risk/opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------|---------------------------------|---|---|--|--|
| 5. | Climate change | Risk | Climate change is a threat to the Company's infrastructure that may disrupt operations and potentially impact the safety and well-being of employees. Also, as Tata Elxsi delivers to customers across various geographies, it expects global compliance on climate change to impact its customers' strategies. Thus resulting in disruptions in their operations, causing an impact on the Company's revenues. | Business continuity policies and emergency response plans are in place. | Negative |
| 6. | Supply chain sustainability | Risk | Tata Elxsi's focus on sustainable suppliers may impact cost, time, and availability. | Planning and supporting existing suppliers to embrace sustainability. | Negative |
| | | Opportunity | The Company prioritises sustainability to further ESG compliance. | - | Positive |
| 7. | Diversity, equity and inclusion | Opportunity | In line with the Company's Code of Conduct and stakeholder expectations. | - | Positive |
| 8. | CSR | Opportunity | As a part of the Company's commitment to society, comprehensive interventions are undertaken in education, healthcare, and the environment. | - | Positive |
| 9. | Product and service stewardship | Opportunity | To contribute towards a sustainable ecosystem. | - | Positive |
| 10. | Waste | Risk | Aligning with the principle of reducing resource use. | Reduction of waste through awareness and responsible disposal leads to recycling. | Negative |
| 11. | Water | Risk | Supporting UN SDG goals of better water management. | Water treatment facilities are established to ensure water treatment, recycling, and recharge. | Negative |
| 12. | Biodiversity | Risk | Objective of contributing to the preservation of the environment. | Afforestation and reinstating biodiversity. | Negative |

For more details, please refer to the Stakeholder Engagement and Materiality Assessment section in the Integrated Report.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Through adherence to international standards and certifications, a transparent policy framework, and robust governance structures, Tata Elxsi aligns its processes with the NGRBC principles for sustainability. This emphasises the Company's commitment to establishing a culture of integrity, transparency, ethical conduct, and compliance.

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

| Disclosure questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|--|----|----|----|----|-----|----|----|----|
| Policy and management processes | | | | | | | | | |
| 1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No) | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| b. Has the policy been approved by the Board? (Yes/No) | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| c. Web link of the policies, if available | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| P1: to P9: Tata Code of Conduct (TCoC) P1: Whistle Blower Policy P2: Sustainable Supply Chain Policy P3: and P5: Employee-Related Policies P4: and P8: CSR Policy P6: HSE Policy and ESG Policy https://www.tataelxsi.com/investors/policies-and-disclosures | | | | | | | | | |
| 2. Whether the entity has translated the policy into procedures. (Yes/No) | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 3. Do the enlisted policies extend to your value chain partners? (Yes/No) | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 4. Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. | ISO 9001: 2015 - Quality Management System ISO 27001: 2013 - Information Security Management System ISO 45001: 2018 - Occupational Health and Safety Management System ISO 14001: 2015 - Environmental Management System ISO 13485: 2016 - Medical Device Certification ISO 31000: 2018 - Enterprise Risk Management CMMi V2.0 Level 3 - Digital Applications for Medical Domain Auto SPICE - Automotive Projects TISAX - Information Security Certification for Automotive Projects | | | | | | | | |
| 5. Specific commitments, goals and targets set by the entity with defined timelines, if any. | N | N | N | N | N | Y* | N | N | N |
| 6. Performance of the entity against the specific commitments, goals, and targets along with reasons in case the same are not met. | NA | NA | NA | NA | NA | Y** | NA | NA | NA |
| <ul style="list-style-type: none"> *50% Reduction in Scope 1 + Scope 2 emissions by 2025 (vs the base year 2021), Carbon Neutral by 2030 **Renewable energy use at 40.19% | | | | | | | | | |

| Disclosure questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|----|----|----|----|----|----|----|----|
| Governance, leadership, and oversight | | | | | | | | | |
| 7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure) Sustainability is integrated into all aspects of Tata Elxsi's business. The Company's sustainability framework aims to reduce its carbon footprint, implement responsible business practices that benefit society and maintain transparent governance practices. With the aim of decreasing our carbon emissions to 50% of the benchmarked value by 2025 and achieving carbon neutrality by 2030, the Company has initiated the following initiatives: <ul style="list-style-type: none"> Increasing the use of renewable energy by implementing rooftop solar power plants and procuring green power Using energy efficient infrastructure Moreover, we address material issues (materiality), identify KPIs, goals, and monitor performance. Additionally, the Company refines its reporting mechanisms to achieve greater collaboration and contribution. | | | | | | | | | |
| 8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies). | Name: Manoj Raghavan Designation: CEO & Managing Director DIN: 08458315 | | | | | | | | |
| 9. Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details. | Yes, the Stakeholders' Relationship Committee | | | | | | | | |

10. Details of review of NGRBCs by the Company:

| Subject for review | Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee | | | | | | | | | Frequency (annually/half yearly/quarterly/ any other – please specify) | | | | | | | | |
|---|--|----|----|----|----|----|----|----|----|--|----|----|----|----|----|----|----|----|
| | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
| Performance against above policies and follow up action | Y | Y | Y | Y | Y | Y | Y | Y | Y | Q | H | Q | Q | Q | H | H | Q | Q |
| Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances | A statutory compliance certificate on applicable laws is placed before the Board of Directors every quarter. | | | | | | | | | | | | | | | | | |

Tata Elxsi's Integrated Quality Management System integrates the TE-chosen industries' requirements, best practices, frameworks, and standards. This includes ISO 9001:2015, ISO 27001:2022, ISO 31000:2018, TISAX, Health, Safety, and Environment Standards ISO 14001 and ISO 45001, as well as industry-domain-specific standards such as Automotive SPICE Level 5 and ISO 13485 (Medical Devices). The Company complies with international laws, principles, and norms, including those in the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the United Nations Guiding Principles on Business and Human Rights.

| 11. Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency. | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|--|----|----|----|----|----|----|----|----|----|
| | Y | Y | Y | Y | Y | Y | Y | Y | Y |

Tata Elxsi holds ISO 14001:2015 and ISO 45001:2018 certifications.

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

| Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|----|----|----|----|----|----|----|----|----|
| The entity does not consider the principles material to its business (Yes/No) | NA | | | | | | | | |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) | | | | | | | | | |
| The entity does not have the financial or/human and technical resources available for the task (Yes/No) | | | | | | | | | |
| It is planned to be done in the next financial year (Yes/No) | | | | | | | | | |
| Any other reason (please specify) | | | | | | | | | |

SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorised as 'Essential' and 'Leadership'. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally, and ethically responsible.

PRINCIPLE 1

Businesses should conduct and govern itself with ethics, transparency and accountability.

PRINCIPLE 2

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

PRINCIPLE 3

Businesses should respect and promote the well-being of all employees.

PRINCIPLE 4

Businesses should respect the interests of, and be responsive towards, all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

PRINCIPLE 5

Businesses should respect and promote human rights.

PRINCIPLE 6

Businesses should respect, protect and make efforts to restore environment.

PRINCIPLE 7

Businesses when engaged in influencing public and regulatory policy/policies, should do so in a responsible and transparent manner.

PRINCIPLE 8

Businesses should promote inclusive growth and equitable development.

PRINCIPLE 9

Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Principle 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

A clean record with no fines and penalties, a robust anti-bribery policy, processes to manage conflict of interest and comprehensive training of the entire workforce, including the management and KMPs, to cover essential topics like business ethics, sustainability, and compliance to solidify Tata Elxsi's dedication in being a purpose-led, people-centric, and performance-driven organisation. These ongoing efforts have earned the Company a reputation synonymous with outstanding governance practices.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

| Segment | Total number of training and awareness programmes held | Topics/principles covered under the training and its impact | % of persons in respective category covered by the awareness programmes |
|-----------------------------------|--|--|---|
| Board of Directors | 100% | Business responsibility and sustainability | 100% |
| Key Managerial Personnel | 100% | The KMP participated in sessions on the Tata Code of Conduct, business ethics, risk, strategy, ESG matters, workplace conduct, and law and compliance. Additionally, these topics are covered in salient detail on the principles. | 100% |
| Employees other than BoD and KMPs | 8465 | P1, P3, P5, P6, P8, P9 | 100% |
| Workers | 386 | P1, P3, P5, P6, P8, P9 | 100% |

2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format.

(Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

| Monetary | | | | | |
|-----------------|-----------------|---|---------------|-------------------|--|
| | NGRBC principle | Name of the regulatory/enforcement agencies/judicial institutions | Amount (in ₹) | Brief of the case | Has an appeal been preferred? (Yes/No) |
| Penalty/fine | NA | Nil | Nil | NA | NA |
| Settlement | NA | Nil | Nil | NA | NA |
| Compounding fee | NA | Nil | Nil | NA | NA |

| Non-monetary | | | | |
|--------------|-----------------|---|-------------------|--|
| | NGRBC Principle | Name of the regulatory/enforcement agencies/judicial institutions | Brief of the case | Has an appeal been preferred? (Yes/No) |
| Imprisonment | NA | Nil | NA | NA |
| Punishment | NA | Nil | NA | NA |

There were no fines, punishments, awards, compounding fees, or settlement amounts paid by us to the regulators, law enforcement agencies, or judicial institutions during the financial year.

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

The Company did not incur any fines, punishments, awards, compounding fees, or settlement amounts paid in proceedings with regulators, law enforcement agencies, or judicial institutions in the financial year. Therefore, there have been no appeals or revisions filed in such cases.

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web link to the policy.

Yes, Tata Elxsi has developed an anti-bribery policy to ensure that the Company has adequate procedures in place to prevent any involvement in bribery, facilitation payments, or corruption, even if unintentional. The policy can be reviewed at <https://www.tataelxsi.com/investors/policies-and-disclosures>.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:

| | 2023-24 (Current financial year) | 2022-23 (Previous financial year) |
|-----------|-------------------------------------|--------------------------------------|
| Directors | Nil | Nil |
| KMPs | | |
| Employees | | |
| Workers | | |

6. Details of complaints with regard to conflict of interest:

| | 2023-24 (Current financial year) | | 2022-23 (Previous financial year) | |
|--|-------------------------------------|---------|--------------------------------------|---------|
| | Number | Remarks | Number | Remarks |
| Number of complaints received in relation to issues of conflict of interest of the Directors | Nil | NA | Nil | NA |
| Number of complaints received in relation to issues of conflict of interest of the KMPs | Nil | NA | Nil | NA |

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.

Tata Elxsi has not experienced any instances of fines/penalties/actions taken by regulators/law enforcement agencies/judicial institutions in cases of corruption or conflict of interest in the financial year.

8. Number of days of accounts payables ((accounts payable *365)/cost of goods/services procured) in the following format:

| | 2023-24 (Current financial year) | 2022-23 (Previous financial year) |
|-------------------------------------|-------------------------------------|--------------------------------------|
| Number of days of accounts payables | 8 | 53 |

9. Openness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

| Parameter | Metrics | 2023-24 (Current financial year) | 2022-23 (Previous financial year) |
|----------------------------|--|-------------------------------------|--------------------------------------|
| Concentration of purchases | a. Purchases from trading houses as % of total purchases | - | - |
| | b. Number of trading houses where purchases are made from | - | - |
| | c. Purchases from top 10 trading houses as % of total purchases from trading houses | - | - |
| Concentration of sales | a. Sales to dealers/distributors as % of total sales | - | - |
| | b. Number of dealers/distributors to whom sales are made | - | - |
| | c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors | - | - |
| Share of RPTs in | a. Purchases (purchases with related parties/total purchases) | 20% | 16% |
| | b. Sales (sales to related parties/total sales) | 23% | 17% |
| | c. Loans & advances (loans & advances given to related parties/total loans & advances) | 0 | - |
| | d. Investments (investments in related parties/total Investments made) | 0 | - |

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

| Total number of awareness programmes held | Topics/principles covered under the training | %age of value chain partners covered (by value of business done with such partners) under the awareness programmes |
|---|---|--|
| 100% | Vendor meet, feedback, ethics survey were conducted and topics covered under this training were TCOC, Speak Up: Ethics Line, Supply Chain Sustainability Policy, Supplier Code of Conduct, POSH, Safety, Vendor Rating, TEL Expectations, and Vendor Expectations | 13% |

2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

Yes, Tata Elxsi has processes in place to ensure that Board members avoid conflict of interest with the Company in accordance with the Tata Code of Conduct. Potential conflicts are identified prior, and the Board of Directors makes necessary declarations during Annual General Body meetings.

Principle 2

Businesses should provide goods and services in a manner that is sustainable and safe.

Tata Elxsi, as one of the pioneers in the engineering R&D industry, acknowledges its obligation to adopt sustainable approaches, enhance energy efficiency for clients, and support community well-being. We prioritise delivering value by integrating sustainability principles, investing in technologies to improve environmental and social outcomes, embracing sustainable sourcing practices, and implementing responsible waste management strategies. Additionally, the Company emphasises collaboration with ethically driven suppliers to ensure a sustainable supply chain.

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of products and processes to total R&D and capex investments made by the entity, respectively.**

| | 2023-24 (Current financial year) | 2022-23 (Previous financial year) | Details of improvements in environmental and social impacts |
|-------|-------------------------------------|--------------------------------------|---|
| R&D | 1.8% | 1.6% | Tata Elxsi invests in technology IP development, especially in automotive, broadcast, and healthcare domains. |
| Capex | NA | NA | NA |

2. **a. Does the entity have procedures in place for sustainable sourcing?** Yes

- b. If yes, what percentage of inputs were sourced sustainably?** 27%

Tata Elxsi engages with multiple local and international suppliers, with a preference for local vendors. All of the Company's suppliers have adopted the supplier code of conduct to achieve a responsible supply chain.

<https://www.tataelxsi.com/investors/policies-and-disclosures>

3. **Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) Other waste.**

Being an engineering research and development organisation, Tata Elxsi emphasises sustainability and safety in providing design and development services. Serving global customer segments and not manufacturing products, the Company has established processes for reusing, recycling, and safely disposing of used items. The Company's e-waste recycling process takes care of obsolete computers, monitors, computer accessories and other electronic office equipment. It has employed specialised agencies to carry out the e-waste disposal. The Company encourages reduced use of paper. Hazardous waste like UPS batteries is responsibly given to licensed agencies for recycling.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

No, extended producer responsibility does not apply to the Company's activities.

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

No, Tata Elxsi, focussing on ER&D, does not conduct Life Cycle Assessments for any of its services.

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

No Life Cycle Assessment was conducted by the Company for the financial year, and there are no concerns or risks related to environmental or social issues.

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Tata Elxsi, an ER&D company, does not recycle or reuse any of its products or services.

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

| | 2023-24 (Current financial year) | | | 2022-23 (Previous financial year) | | |
|--------------------------------|-------------------------------------|----------|-----------------|--------------------------------------|----------|-----------------|
| | Reused | Recycled | Safely disposed | Reused | Recycled | Safely disposed |
| Plastics (including packaging) | Nil | Nil | 0.40 | - | - | 0.27 |
| E-waste | Nil | Nil | 20.68 | - | - | Nil |
| Hazardous waste | Nil | Nil | 0.07 | - | - | Nil |
| Other waste | Nil | Nil | 17.67 | - | - | 8.38 |

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Packaging materials are not part of Tata Elxsi's operations.

Principle 3

Businesses should respect and promote the well-being of all employees, including those in their value chains.

At Tata Elxsi, the majority of the workforce consists of engineers, and the Company ensures that they have extensive knowledge of the technologies they use. Our primary goal is to provide employees with a deep understanding of technology applications. Through the Company's strong Employee Value Proposition, Tata Elxsi prioritises learning opportunities, career advancement, employee well-being programmes, and fostering diversity and inclusion in the workplace.

Essential Indicators

1. a. Details of measures for the well-being of employees:

| Category | % of employees covered by | | | | | | | | | | |
|--------------------------------|--|------------------|------------|--------------------|------------|--------------------|------------|--------------------|------------|---------------------|------------|
| | Total (A) | Health insurance | | Accident insurance | | Maternity benefits | | Paternity benefits | | Day care facilities | |
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D/A) | Number (E) | % (E/A) | Number (F) | % (F/A) |
| Permanent employees | | | | | | | | | | | |
| Male | 8,299 | 8,299 | 100% | 8,299 | 100% | NA | NA | 8,299 | 100% | 887 | 11% |
| Female | 4,670 | 4,670 | 100% | 4,670 | 100% | 4,670 | 100% | NA | NA | 369 | 8% |
| Total | 12,969 | 12,969 | 100% | 12,969 | 100% | 4,670 | 100% | 8,299 | 100% | 1,256 | 10% |
| Other than permanent employees | | | | | | | | | | | |
| Male | All benefits extended to the contract workforce adhere to statutory provisions. As a principal employer, the Company is committed to ensuring compliance. | | | | | | | | | | |
| Female | | | | | | | | | | | |
| Total | | | | | | | | | | | |

Daycare facilities are not available onsite. The Company has arrangements with third-party daycare centres in different locations for employees to avail themselves of.

b. Details of measures for the well-being of workers:

| Category | % of workers covered by | | | | | | | | | | |
|-------------------|-------------------------|------------------|---------|--------------------|---------|--------------------|---------|--------------------|---------|---------------------|---------|
| | Total (A) | Health insurance | | Accident insurance | | Maternity benefits | | Paternity benefits | | Day care facilities | |
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D/A) | Number (E) | % (E/A) | Number (F) | % (F/A) |
| Permanent workers | | | | | | | | | | | |
| Male | 0 | - | - | - | - | - | - | - | - | - | - |
| Female | 0 | - | - | - | - | - | - | - | - | - | - |
| Total | 0 | - | - | - | - | - | - | - | - | - | - |

| Category | % of workers covered by | | | | | | | | | | |
|------------------------------|-------------------------|------------------|---------|--------------------|---------|--------------------|---------|--------------------|---------|---------------------|---------|
| | Total (A) | Health insurance | | Accident insurance | | Maternity benefits | | Paternity benefits | | Day care facilities | |
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D/A) | Number (E) | % (E/A) | Number (F) | % (F/A) |
| Other than permanent workers | | | | | | | | | | | |
| Male | 307 | 307 | 100% | 307 | 100% | - | - | - | - | - | - |
| Female | 98 | 98 | 100% | 98 | 100% | 98 | 100% | - | - | - | - |
| Total | 405 | 405 | 100% | 405 | 100% | 98 | 100% | - | - | - | - |

All benefits extended to the contract workforce (workers) are in line with statutory provisions. As a principal employer, Tata Elxsi is committed to ensuring compliance.

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

| | 2023-24 (Current financial year) | 2022-23 (Previous financial year) |
|---|---|--|
| Cost incurred on well-being measures as a % of total revenue of the Company | 0.06% | 0.08% |

2. Details of retirement benefits, for current FY and previous FY.

| Benefits | 2023-24 (Current financial year) | | | 2022-23 (Previous financial year) | | |
|-------------------------|--|--|--|--|--|--|
| | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/NA) | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/NA) |
| PF | 100% | 100% | Yes | 100% | 100% | Yes |
| Gratuity | 100% | 100% | Yes | 100% | 100% | Yes |
| ESI | 0.28% | 100% | Yes | - | 100% | Yes |
| Others – please specify | - | - | - | - | - | - |

3. Accessibility of workplaces

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, Tata Elxsi's facilities are accessible to differently abled employees with lifts, ramps, and wheelchair provision.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, Tata Elxsi provides equal rights to its employees and does not discriminate on any grounds, including race, caste, religion, colour, ancestry, marital status, gender, sexual orientation, age, nationality, ethnic origin, disability, or any other category protected by applicable law. Additionally, the Company recruits, develops, and promotes Elxians solely based on performance, merit, competence, and potential.

<https://www.tataelxsi.com/investors/policies-and-disclosures>

5. Return to work and retention rates of permanent employees and workers that took parental leave.

| Gender | Permanent employees | | Permanent workers | |
|--------------|---------------------|----------------|--|----------------|
| | Return to work rate | Retention rate | Return to work rate | Retention rate |
| Male | 100% | 100% | All benefits extended to the contract workforce (workers) are in line with statutory provisions and are extended by the respective contractor. Moreover, we are committed to ensuring compliance by means of frequent audits of contractors. | |
| Female | 100% | 100% | | |
| Total | 100% | 100% | | |

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

| | Yes/No (If yes, then give details of the mechanism in brief) |
|--------------------------------|--|
| Permanent workers | <p>Yes, the Company has implemented an open-door approach for every employee, regardless of their position.</p> <p>The Company offers various platforms to its employees for sharing their grievances and concerns, including Ethics Speak Up, HR Helpdesk and e-mails to their supervisors.</p> <p>Further, the Company follows the 'Tata Code of Conduct' (TCoC), encouraging employees to raise concerns about bribery and corruption, harassment and human rights issues, and insider trading, among others.</p> |
| Other than permanent workers | |
| Permanent employees | |
| Other than permanent employees | |

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

| Category | 2023-24 (Current financial year) | | | 2022-23 (Previous financial year) | | |
|----------------------------------|---|---|---|---|---|---|
| | Total employee/ workers in the respective category | No. of employees/ workers in the respective categories, who are part of association(s) or union | % | Total employee/ workers in the respective category | No. of employees/ workers in the respective categories, who are part of association(s) or union | % |
| Total permanent employees | <p>Tata Elxsi acknowledges and respects the rights of its employees to peacefully associate and engage in collective bargaining. Additionally, the Company actively promotes employee participation through purpose-driven groups to enhance engagement and address concerns.</p> | | | | | |
| - Male | | | | | | |
| - Female | | | | | | |
| Total permanent workers | | | | | | |
| - Male | | | | | | |
| - Female | | | | | | |

8. Details of training given to employees and workers:

| Category | 2023-24 (Current financial year) | | | | | 2022-23 (Previous financial year) | | | | |
|-----------|-------------------------------------|----------------------------------|---------|-------------------------|---------|--------------------------------------|----------------------------------|---------|-------------------------|---------|
| | Total (A) | On health and safety measures | | On skill upgradation | | Total (D) | On health and safety measures | | On skill upgradation | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| Employees | | | | | | | | | | |
| Male | 8,299 | 8,299 | 100% | 8,299 | 100% | 7,272 | 7,272 | 100% | 6,540 | 90% |
| Female | 4,670 | 4,670 | 100% | 4,670 | 100% | 4,144 | 4,144 | 100% | 3,730 | 90% |
| Total | 12,969 | 12,969 | 100% | 12,969 | 100% | 11,416 | 11,416 | 100% | 10,270 | 90% |
| Workers | | | | | | | | | | |
| Male | 307 | 307 | 100% | - | - | NA | NA | NA | NA | NA |
| Female | 98 | 98 | 100% | - | - | NA | NA | NA | NA | NA |
| Total | 405 | 405 | 100% | - | - | NA | NA | NA | NA | NA |

Training is integral to safety awareness, with health and safety training included in the employee induction module at the time of joining to ensure minimum mandatory awareness of health and safety (H&S). Regular reinforcement sessions are also conducted through webinars, training, posters, e-mails, and floor meetings.

9. Details of performance and career development reviews of employees and worker:

| Category | 2023-24 (Current financial year) | | | 2022-23 (Previous financial year) | | |
|------------------|--|---------------|-------------|--------------------------------------|---------------|-------------|
| | Total (A) | No. (B) | % (B/A) | Total (C) | No. (D) | % (D/C) |
| Employees | | | | | | |
| Male | 8,299 | 8,299 | 100% | 7,151 | 7,151 | 100% |
| Female | 4,670 | 4,670 | 100% | 4,103 | 4,103 | 100% |
| Total | 12,969 | 12,969 | 100% | 11,254 | 11,254 | 100% |
| Workers | | | | | | |
| Male | All benefits extended to the contract workforce (workers) are in line with statutory provisions and are extended by the respective contractor. Moreover, Tata Elxsi is committed to ensuring compliance by means of frequent audits of contractors. Furthermore, the Company provides constructive feedback on their performance (if any). | | | | | |
| Female | | | | | | |
| Total | | | | | | |

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage such system?

Yes, Tata Elxsi has implemented a health and safety management system in line with ISO 45001:2018 and is assessed for ISO 45001:2018 and ISO 14001:2015 (for Environmental Management System).

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Tata Elxsi has several processes in place to identify work-related hazards and assess risks on a routine and non-routine basis, including:

- Hazard Identification and Risk Analysis (HIRA) Process: Uses a structured approach to identify and evaluate potential hazards in its operations.
- Incident Reporting by Employees and Workers: Encourages employees and workers to report any incidents, accidents, or near-misses that occur in the workplace.
- Safety Walkthroughs by the Leadership and Senior Management: Conducts regular safety walkthroughs of its facilities to identify potential hazards and assess their risk.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.

Yes. The Company's workers have multiple channels to report incidents and accidents, including the incident reporting system, e-mails, verbal reporting to supervisors, and the ethics helpline.

d. Do the employees/worker of the entity have access to non-occupational medical and healthcare services?

Yes, the Company provides on-campus medical services and has corporate tie-ups with nearby multi-specialty hospitals for emergencies.

11. Details of safety related incidents, in the following format:

| Safety incident/number | Category | 2023-24 (Current financial year) | 2022-23 (Previous financial year) |
|---|-----------|-------------------------------------|--------------------------------------|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | 0 | 0 |
| | Workers | 0 | 0 |
| Total recordable work-related injuries | Employees | 0 | 0 |
| | Workers | 0 | 0 |
| No. of fatalities | Employees | 0 | 0 |
| | Workers | 0 | 0 |
| High consequence work-related injury or ill-health (excluding fatalities) | Employees | 0 | 0 |
| | Workers | 0 | 0 |

*Including in the contract workforce

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Tata Elxsi undertook various measures to ensure a safe and healthy workplace, which include:

- Implementing health & safety system in line with the ISO 45001:2018 standard
- Providing training through awareness programmes on physical and mental well-being
- Mandating medical check-ups for high-risk categories
- Facilitating doctors on-campus
- Offering a 24/7 telemedicine facility and a one-on-one counselling helpline

13. Number of complaints on the following made by employees and workers:

| | 2023-24 (Current financial year) | | | 2022-23 (Previous financial year) | | |
|--------------------|-------------------------------------|---------------------------------------|---------|--------------------------------------|---------------------------------------|---------|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Working conditions | 11 | 0 | - | - | - | - |
| Health & safety | 11 | 0 | - | 6 | 0 | - |

14. Assessments for the year:

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|-----------------------------|--|
| Health and safety practices | 100% |
| Working conditions | 100% |

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

Since there were no such safety-related incidents from assessments of health & safety practices and working conditions, no corrective actions were taken by Tata Elxsi in this financial year. However, we have processes to address such issues.

For more details, please refer to the Making Talent Future-Ready (Human Capital) section of the Integrated Report.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of

(A) Employees - Yes

(B) Workers - Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

- Respective team member ownership for filing and depositing dues as per calendared activity on a monthly, quarterly, and yearly basis.
- Consultant eco-system to keep the Company informed and support existing rules/regulations, upcoming dates for data/return preparation, as well as dues/taxes to be submitted. Also, they inform Tata Elxsi of any new rules, regulations, and statutory compliances/benefits as applicable to the Company getting introduced to be adhered to.
- A global compliance tool and compliance content library, supported by PWC, the Company's partner/advisor for global compliances, a calendar for upcoming dates, any due dates, and overdues in case any are not filed. It also mentions monetary fines/penalties that can be imposed for any such non-compliance and not paying dues on time. It provides a dashboard that flags all such applicable compliances and escalates to the next level too. Compliance leaders also require reviewing, approving, and taking necessary actions.

- 3. Provide the number of employees/workers having suffered high consequence work related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

| | Total no. of affected employees/workers | | No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment | |
|-----------|---|--------------------------------------|---|--------------------------------------|
| | 2023-24 (Current financial year) | 2022-23 (Previous financial year) | 2023-24 (Current financial year) | 2022-23 (Previous financial year) |
| Employees | 0 | 0 | 0 | 0 |
| Workers | 0 | 0 | 0 | 0 |

- 4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment?**

Yes

- 5. Details on assessment of value chain partners:**

| | % of value chain partners (by value of business done with such partners) that were assessed |
|-----------------------------|---|
| Health and safety practices | 100% |
| Working conditions | 100% |

- 6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

No safety-related incidents have been identified from assessments of health & safety practices and working conditions for value chain partners. Therefore, no corrective actions were taken in this financial year, but there are processes at Tata Elxsi to address such issues if any concerns arise.

Principle 4

Businesses should respect the interests of and be responsive to all its stakeholders.

With its focus on responsible and sustainable business practices, we value the crucial role of stakeholder involvement. This engagement is essential for understanding interconnected risks and opportunities within the social, environmental, and economic landscape. Through active engagement with various stakeholders, the Company fosters trust and aligns strategic priorities with diverse stakeholder interests.

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Tata Elxsi recognises any individual, group, or institution that contributes value to its business chain or is affected by its actions as a key stakeholder.

The Company has identified the following key stakeholders:

- Shareholders
- Employees
- Customers
- Academic Institutions
- Suppliers, Vendors and Partners
- Communities

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

| Stakeholder group | Whether identified as vulnerable & marginalised Group (Yes/No) | Channels of communication (E-mail, SMS, newspaper, pamphlets, advertisement, community meetings, notice board, website), other | Frequency of engagement (annually/half yearly/ quarterly/others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|-------------------|--|---|---|---|
| Shareholders | No | Annual reports, earnings calls, newspaper advertisement/notices, the Company's website, annual general meetings, and press releases. | Quarterly/yearly | Providing information and update on the Company's performance |
| Employees | No | Code of Conduct, trainings, workshops, employee touch base and grievance mechanisms | Need-based, quarterly | Rewards, training and development, wellness and safety measures |
| Customers | No | Tech days at the customer premises, events, conferences, trade shows, leadership meetings, programme reviews and satisfaction surveys | Need-based, half-yearly | Product/service information, customer feedback |

| Stakeholder group | Whether identified as vulnerable & marginalised Group (Yes/No) | Channels of communication (E-mail, SMS, newspaper, pamphlets, advertisement, community meetings, notice board, website), other | Frequency of engagement (annually/half yearly/quarterly/others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|---------------------------------|--|---|---|---|
| Academic institutions | No | MoUs, technology meetings, conferences, and seminars | Ongoing basis | Capability development and research |
| Suppliers, Vendors and Partners | No | Supplier code of conduct, contracts, training & awareness, and appraisals | Ongoing and need-based | Supplier sustainability |
| Communities | No | CSR policy, volunteering programmes, Shiksha, Niramay, Paryavaran initiatives | Quarterly and annually | Community development |
| Regulatory bodies | No | Statutes and regulations | Need-based | Statutory and regulatory compliances |

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Tata Elxsi has processes aligned with economic, environmental, and social topics, which are discussed during the Annual General Board meeting, and necessary actions are taken among stakeholders.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into the policies and activities of the entity.

Tata Elxsi's operations do not include stakeholder consultation on environmental and social topics.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalised stakeholder groups.

No concerns were raised during engagement with specified groups. Any specific instances of such concerns will be addressed accordingly.

Principle 5

Businesses should respect and promote human rights.

Tata Elxsi places importance on human rights through employee training and fair remuneration. With designated personnel overseeing human rights issues and accessible grievance redressal mechanisms, the Company ensures transparency and accountability. Proactive measures, like anonymous reporting systems, additionally contribute to the promotion of human rights.

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

| Category | 2023-24 (Current financial year) | | | 2022-23 (Previous financial year) | | |
|------------------------|--|--|-------------|--------------------------------------|--|-------------|
| | Total (A) | No. of employees/ workers covered (B) | % (B/A) | Total (C) | No. of employees/ workers covered (D) | % (D/C) |
| Employees | | | | | | |
| Permanent | 12,969 | 12,969 | 100% | 11,254 | 11,254 | 100% |
| Other than permanent | 182 | 182 | 100% | 610 | 610 | 100% |
| Total employees | 13,151 | 13,151 | 100% | 11,864 | 11,864 | 100% |
| Workers | | | | | | |
| Permanent | All workers (contract workers) are required to undergo mandatory Tata Code of Conduct orientation, which includes essential training on human rights issues. | | | | | |
| Other than permanent | | | | | | |
| Total workers | | | | | | |

2. Details of minimum wages paid to employees and workers, in the following format:

| Category | 2023-24 (Current financial year) | | | | | 2022-23 (Previous financial year) | | | | |
|----------------------|-------------------------------------|--------------------------|---------|---------------------------|---------|--------------------------------------|--------------------------|---------|---------------------------|---------|
| | Total (A) | Equal to minimum wage | | More than minimum wage | | Total (D) | Equal to minimum wage | | More than minimum wage | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| Employees | | | | | | | | | | |
| Permanent | 12,969 | - | - | 12,969 | 100% | 11,254 | - | - | 11,254 | 100% |
| Male | 8,299 | - | - | 8,299 | 100% | 7,151 | - | - | 7,151 | 100% |
| Female | 4,670 | - | - | 4,670 | 100% | 4,103 | - | - | 4,103 | 100% |
| Other than permanent | 182 | - | - | 182 | 100% | 610 | - | - | 610 | 100% |
| Male | 144 | - | - | 144 | 100% | 458 | - | - | 458 | 100% |
| Female | 38 | - | - | 38 | 100% | 152 | - | - | 152 | 100% |

| Category | 2023-24 (Current financial year) | | | | | 2022-23 (Previous financial year) | | | | |
|----------------------|-------------------------------------|--------------------------|---------|---------------------------|---------|--------------------------------------|--------------------------|---------|---------------------------|---------|
| | Total (A) | Equal to minimum wage | | More than minimum wage | | Total (D) | Equal to minimum wage | | More than minimum wage | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| Workers | | | | | | | | | | |
| Permanent | 0 | - | - | - | - | 385 | - | - | 385 | 100% |
| Male | 0 | - | - | - | - | 294 | - | - | 294 | 100% |
| Female | 0 | - | - | - | - | 91 | - | - | 91 | 100% |
| Other than permanent | 405 | - | - | 405 | 100% | - | - | - | - | - |
| Male | 307 | - | - | 307 | 100% | - | - | - | - | - |
| Female | 98 | - | - | 98 | 100% | - | - | - | - | - |

At Tata Elxsi, all employees or workers are provided with more than minimum wages. Benefits for the contract workforce are in line with statutory provisions and provided by the respective contractor. As a principal employer, the Company conducts frequent audits of contractors to ensure compliance.

3. Details of remuneration/salary/wages

a. Median remuneration/wages:

| | Male | | Female | |
|----------------------------------|--------|--|--------|--|
| | Number | Median remuneration/salary/wages of respective category (in ₹ lakhs) | Number | Median remuneration/salary/wages of respective category (in ₹ lakhs) |
| Board of Directors (BoD) | 5 | 1,209.31 | 1 | 230.80 |
| Key Managerial Personnel | 2 | 137.77 | 1 | 39.18 |
| Employees other than BoD and KMP | 8,297 | 9 | 4,669 | 7 |
| Workers | 307 | All benefits extended to the contract workforce (workers) are in line with statutory provisions and are extended by the respective contractor. As a Principal employer, Tata Elxsi is committed to ensuring compliance by means of frequent audits of contractors. | 98 | All benefits extended to the contract workforce (workers) are in line with statutory provisions and are extended by the respective contractor. As a Principal employer, Tata Elxsi is committed to ensuring compliance by means of frequent audits of contractors. |

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

| | 2023-24 (Current financial year) | 2022-23 (Previous financial year) |
|---|-------------------------------------|--------------------------------------|
| Gross wages paid to females as % of total wages | 29% | 29% |

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

Yes, the Company has designated the Head of the Human Resources department to address human rights issues or impacts.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Tata Elxsi has several internal mechanisms in place to redress grievances related to human rights issues which includes:

- Open-door Policy: Offers an open-door policy that allows employees to raise any human rights concerns with their managers or supervisors.
- Grievance Redressal Mechanism: Provides a grievance redressal mechanism that allows employees to report any human rights violations or concerns anonymously.
- Code of Conduct: Implements a code of conduct that sets out Tata Elxsi's commitment to human rights and ethical business practices.
- Ethics Helpline: Incorporates an ethics helpline that employees and workers can use to report any concerns related to human rights violations, ethical misconduct, or other issues.
- HR Helpdesk: Facilitates a HR helpdesk that helps employees approach or raise any concerns related to human rights or other issues.
- Employee Touch Base: Offers an employee touch base system that allows employees to provide feedback and suggestions on various aspects of the Company's operations, including human rights. Moreover, the system is designed to promote transparency and communication between employees and management.

6. Number of complaints on the following made by employees and workers:

| Category | 2023-24 (Current financial year) | | | 2022-23 (Previous financial year) | | |
|-----------------------------------|-------------------------------------|---------------------------------------|---------|--------------------------------------|---------------------------------------|---------|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Sexual harassment | 4 | 1 | NA | 3 | 0 | - |
| Discrimination at workplace | 0 | NA | NA | - | - | - |
| Child labour | 0 | NA | NA | - | - | - |
| Forced Labour/Involuntary labour | 0 | NA | NA | - | - | - |
| Wages | 0 | NA | NA | - | - | - |
| Other human rights related issues | 0 | NA | NA | - | - | - |

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

| | 2023-24 (Current financial year) | 2022-23 (Previous financial year) |
|---|-------------------------------------|--------------------------------------|
| Total complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) | 4 | 3 |
| Complaints on POSH as a % of female employees/workers | 0.08% | 0.07% |
| Complaints on POSH upheld | 4 | 3 |

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Multiple mechanisms have been established by us to prevent adverse consequences for the complainant, including POSH, a grievance redressal mechanism, and an ethics helpline for protected disclosures.

9. Do human rights requirements form part of your business agreements and contracts?

Yes

10. Assessments for the year:

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|-----------------------------|---|
| Child labour | 100% |
| Forced/involuntary labour | 100% |
| Sexual harassment | 100% |
| Discrimination at workplace | 100% |
| Wages | 100% |
| Others | 100% |

*Note: Tata Elxsi's design and development facilities are evaluated as follows:

ISO 9001: 2015 – Quality Management System

ISO 27001: 2022 – Information Security Management System

ISO 45001: 2018 – Occupational Health and Safety Management System

ISO 14001: 2015 – Environmental Management System

ISO 13485: 2016 – Medical Device Certification

ISO 31000: 2018 – Enterprise Risk Management

CMMi V2.0 Level 3 – Digital applications for Medical Domain

Auto SPICE – Automotive Projects

TISAX – Information Security certification for Automotive projects

11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above.

No significant risks or concerns have been identified from assessments of child labour, involuntary labour, sexual harassment, discrimination or wage problems. Therefore, no corrective actions were taken this financial year, and the Company has mechanisms in place to address these issues.

For more details, please refer to the Making Talent Future-Ready (Human Capital) section of the Integrated Report.

Leadership Indicators

1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.

While Tata Elxsi has not received any complaints or grievances related to human rights, it consistently introduces processes and systems to ensure better awareness and reporting. The Company has launched a BHR learning module and has an anonymous complaint reporting system (Speak Up), which is managed by a third party.

2. Details of the scope and coverage of any Human rights due diligence conducted.

While formal due diligence on human rights has not been conducted, Tata Elxsi's employee satisfaction survey (VoTE) and group LBE survey include numerous human rights-related parameters.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes

4. Details on assessment of value chain partners:

| | % of value chain partners (by value of business done with such partners) that were assessed |
|-----------------------------|---|
| Child labour | 100% |
| Forced/Involuntary labour | 100% |
| Sexual harassment | 100% |
| Discrimination at workplace | 100% |
| Wages | 100% |
| Others | 100% |

5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.

NA

Principle 6

Businesses should respect and make efforts to protect and restore the environment.

Tata Elxsi strives to be a responsible corporate citizen through the implementation of energy efficiency, water management, waste reduction, and environmental compliance strategies. Through innovative solutions, the adoption of renewable energy, and proactive disaster management protocols, the Company not only reduces its environmental impact but also places sustainability at the forefront of its operations.

Essential indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

| Parameter | 2023-24 (Current financial year) | 2022-23 (Previous financial year) |
|---|-------------------------------------|--------------------------------------|
| From renewable sources | | |
| Total electricity consumption (A) | 53,36,989 | 38,25,579 |
| Total fuel consumption (B) | - | - |
| Energy consumption through other sources (C) | - | - |
| Total energy consumption (A+B+C) | 53,36,989 | 38,25,579 |
| From non-renewable sources | | |
| Total electricity consumption (D) | 79,42,448 | 61,03,396 |
| Total fuel consumption (E) | 1,02,446 | 1,03,113 |
| Energy consumption through other sources (F) | - | - |
| Total energy consumed from non-renewable sources (D+E+F) | 80,44,894 | 62,06,509 |
| Total energy consumed (A+B+C+D+E+F) | 1,33,81,883 | 1,00,32,088 |
| Energy intensity per rupee of turnover (total energy consumption/turnover in rupees) | 0.38 * 10 ⁻³ | 0.32 * 10 ⁻³ |
| Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (total energy consumed/revenue from operations adjusted for PPP) | 8,589.37 | 7,219.28 |
| Energy intensity in terms of physical output | - | - |
| Energy intensity (per employee) – the relevant metric may be selected by the entity | 1,017.55 | 845.59 |

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency – Yes, ISOQAR

Note: The PPP Value is recorded as 22.8 for 2023-24 and 22.63 for 2022-23, as per data obtained from the website.

<https://data.worldbank.org/indicator/PA.NUS.PPP?end=2022&locations=IN&start=2019>

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve, and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any

No, Tata Elxsi does not have any sites or facilities identified as designated consumers (DCs) under the Performance, Achieve, and Trade (PAT) Scheme of the Government of India.

3. Provide details of the following disclosures related to water, in the following format:

| Parameter | 2023-24 (Current financial year) | 2022-23 (Previous financial year) |
|--|-------------------------------------|--------------------------------------|
| Water withdrawal by source (in kilolitres) | | |
| (i) Surface water | - | - |
| (ii) Groundwater | 13,806 | 15,864 |
| (iii) Third party water | 53,573 | 31,258 |
| (iv) Seawater/desalinated water | - | - |
| (v) Others | - | - |
| Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v) | 67,379 | 47,122 |
| Total volume of water consumption (in kilolitres) | 67,379 | 47,122 |
| Water intensity per rupee of turnover (water consumed/turnover) | 0.19 * 10 ⁻⁵ | 0.15 * 10 ⁻⁵ |
| Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (total water consumption/revenue from operations adjusted for PPP) | 43.25 | 33.90 |
| Water intensity in terms of physical output | - | - |
| Water intensity (Employee) – the relevant metric may be selected by the entity | 5.12 | 3.97 |

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency – Yes, ISOQAR

Note: The PPP Value is recorded as 22.8 for 2023-24 and 22.63 for 2022-23, as per data obtained from the website. (<https://data.worldbank.org/indicator/PA.NUS.PPP?end=2022&locations=IN&start=2019>)

4. Provide the following details related to water discharged:

| Parameter | 2023-24 (Current financial year) | 2022-23 (Previous financial year) |
|--|-------------------------------------|--------------------------------------|
| Water discharge by destination and level of treatment (in kilolitres) | | |
| (i) To surface water | - | - |
| - No treatment | - | - |
| - With treatment – please specify level of treatment | 65,949 | 46,278.16 |

| Parameter | 2023-24 (Current financial year) | 2022-23 (Previous financial year) |
|--|-------------------------------------|--------------------------------------|
| (ii) To groundwater | - | - |
| - No treatment | - | - |
| - With treatment – please specify level of treatment | - | - |
| (iii) To seawater | - | - |
| - No treatment | - | - |
| - With treatment – please specify level of treatment | - | - |
| (iv) Sent to third parties | - | - |
| - No treatment | - | - |
| - With treatment – please specify level of treatment | - | - |
| (v) Others | - | - |
| - No treatment | - | - |
| - With treatment – please specify level of treatment | - | - |
| Total water discharged (in kilolitres) | 65,949 | 46,278.16 |

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency – Yes, ISOQAR

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, the Company has placed judicious use of water on its high priority requisites with regards to its environmental commitments. The organisation is into software development, owing to which, water treatment is limited to sewage water treatment, and the installation of an ETP (Effluent Treatment Plant) is not required. Efforts are being made by the Company to implement initiatives to have Zero Liquid Discharge.

The Tata Elxsi owned facilities, namely Hoody Campus Bangalore and RN Development centre at Trivandrum have sewage treatment plants that are continuously monitored with standard operating procedures, treated water samples are tested and the plant is manned 24/7. The treated water is fully consumed for gardening purposes. The leased facilities also have Sewage Treatment Plants (STPs) wherein water is treated and reused for flushing purposes.

In the Hoody campus, ten water harvesting pits have been constructed to collect rooftop rainwater which is used to maintain the groundwater levels. Further, surface rainwater runoff is diverted to the harvesting pits to maximise water percolation.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Tata Elxsi, as an ER&D service company, has minimal air emissions. The Company utilises a DG set during power outages. We ensure compliance with regulations concerning stack emission parameters like nitrous oxide, non-methane hydrocarbons, carbon monoxide, and particulate matter, among others. Furthermore, monitoring of stack emissions is conducted according to the frequency required by the PCB Consent to Operate (CTO).

| Parameter | Please specify unit | 2023-24 (Current financial year) | 2022-23 (Previous financial year) |
|-------------------------------------|--|-------------------------------------|--------------------------------------|
| NOx | µg/m ³ (microgram/metre cube) | 18.5 | 17.6 |
| SOx | µg/m ³ (microgram/metre cube) | NA | 7.4 |
| Particulate matter (PM) | µg/m ³ (microgram/metre cube) | 51.2 | 59.6 |
| Persistent organic pollutants (POP) | | NA | NA |
| Volatile organic compounds (VOC) | | NA | NA |
| Hazardous air pollutants (HAP) | | NA | NA |
| Others – Non methyl hydrocarbon | | 7.2 | - |

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency – Yes, ISOQAR

7. Provide details of greenhousegas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

| Parameter | Unit | 2023-24 (Current financial year) | 2022-23 (Previous financial year) |
|---|---|-------------------------------------|--------------------------------------|
| Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) | Metric tonnes of CO ₂ equivalent | 107.4 | 108.4 |
| Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) | Metric tonnes of CO ₂ equivalent | 6,433.38 | 5,005 |
| Total Scope 1 and Scope 2 emissions per rupee of turnover | | 1.8* 10 ⁻⁷ | 1.63 * 10 ⁻⁷ |
| Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (total Scope 1 and Scope 2 GHG emissions/revenue from operations adjusted for PPP) | | 4.20 | 4.70 |
| Total Scope 1 and Scope 2 emission intensity in terms of physical output | | - | - |
| Total Scope 1 and Scope 2 emission intensity (employee) – the relevant metric may be selected by the entity | | 0.49 | 0.43 |

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency – Yes, ISOQAR

Note: The PPP Value is recorded as 22.8 for 2023-24 and 22.63 for 2022-23, as per data obtained from the website. (<https://data.worldbank.org/indicator/PA.NUS.PPP?end=2022&locations=IN&start=2019>)

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

We have committed to reducing our carbon footprint to 50% of the benchmarked carbon footprint by 2025. This goal is taken up earnestly and targeted by opting to use green energy in many of the locations. Listed below are some of the major steps taken to achieve the objective.

- All the newly leased facilities are selected based on the criteria that the facility has provisions to supply green power.
- In the RN Development Centre, the Company has implemented measures to purchase green power directly from utility service providers by enacting an agreement.
- Invested in a rooftop solar project at the SBH facility in Pune to implement 120 kW of rooftop solar. This entails an overall capacity of 320 kW of rooftop solar, which is a 60% increase from the existing capacity.

9. Provide details related to waste management by the entity, in the following format:

| Parameter | 2023-24 (Current financial year) | 2022-23 (Previous financial year) |
|--|-------------------------------------|--------------------------------------|
| Total waste generated (in metric tonnes) | | |
| Plastic waste (A) | 0.40 | 0.27 |
| E-waste (B) | 20.68 | Nil |
| Bio-medical waste (C) | Nil | Nil |
| Construction and demolition waste (D) | Nil | Nil |
| Battery waste (E) | 1.10 | 2.74 |
| Radioactive waste (F) | Nil | Nil |
| Other hazardous waste. Please specify, if any. (G) | Nil | Nil |
| Other non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) | 17.67 | 8.38 |
| Total (A + B + C + D + E + F + G + H) | 39.85 | 11.39 |
| Waste intensity per rupee of turnover (total waste generated/revenue from operations) | $11 * 10^{-7}$ | $3.6 * 10^{-7}$ |
| Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (total waste generated/revenue from operations adjusted for PPP) | $25.578 * 10^{-3}$ | $28.677 * 10^{-3}$ |
| Waste intensity in terms of physical output | - | - |
| Waste intensity (employee) – the relevant metric may be selected by the entity | 0.003 | 0.001 |
| For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes) | | |
| Category of waste | | |
| (i) Recycled | 1.10 (battery waste) | 2.74 (battery waste or lead) |
| (ii) Re-used | Nil | Nil |
| (iii) Other recovery operations | Nil | Nil |
| Total | 1.10 | 2.74 |

| Parameter | 2023-24 (Current financial year) | 2022-23 (Previous financial year) |
|---|-------------------------------------|--------------------------------------|
| For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes) | | |
| Category of waste | | |
| (i) Incineration | Nil | Nil |
| (ii) Landfilling | Nil | Nil |
| (iii) Other disposal operations | Nil | Nil |
| Total | Nil | Nil |

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency – Yes, ISOQAR

Note: The PPP Value is recorded as 22.8 for 2023-24 and 22.63 for 2022-23, as per data obtained from the website. (<https://data.worldbank.org/indicator/PA.NUS.PPP?end=2022&locations=IN&start=2019>)

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

All solid waste is sent to authorised municipal waste collection agencies for recycling and responsible disposal. Hazardous waste and solid waste are managed by agencies appointed by the statutory authority, i.e., PCB, in their respective locations. Additionally, Tata Elxsi recycles solid garden waste on its premises and all of its premises are ISO 14001 certified by Bureau Veritas.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:

Tata Elxsi's offices are not located in or near ecologically sensitive areas.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Tata Elxsi, an ER&D organisation, has not undergone any environmental impact assessments of projects for the current financial year.

13. Is the entity compliant with the applicable environmental law/regulations/guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, Tata Elxsi ensures compliance with environmental laws/regulations/guidelines.

Leadership Indicators

1. Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres):

For each facility/plant located in areas of water stress, provide the following information:

There are no offices of Tata Elxsi located in water-stressed areas for the current financial year.

- (i) Name of the area - NA
- (ii) Nature of operations - NA

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency – Yes, ISOQAR

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

| Parameter | Unit | 2023-24 (Current financial year) | 2022-23 (Previous financial year) |
|---|---|-------------------------------------|--------------------------------------|
| Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) | Metric tonnes of CO ₂ equivalent | 2,037.5 | 2,856 |
| Total Scope 3 emissions per rupee of turnover | Kilogram of CO ₂ equivalent | 0.57 * 10 ⁻² | 0.91 * 10 ⁻² |
| Total Scope 3 emission intensity (employee) – the relevant metric may be selected by the entity | – | 0.15 | 0.24 |

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

There are no Tata Elxsi offices operating in or near ecologically sensitive areas, resulting in no significant direct or indirect impact on biodiversity in these regions. Therefore, no prevention or remediation activities are required.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

All Tata Elxsi facilities are ISO 14000:2015 certified and are compliant with the highest global standards.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link.

Tata Elxsi has an approved process for 'Business Continuity and Disaster Recovery Management' in place. This document captures stakeholder information and identifies points of contact during a BCP situation. Additionally, it outlines various BCO scenarios considered during BCP drills. Periodic BCP test drills are conducted in coordination with respective teams according to a defined schedule, and the test results are documented and shared with the IT team. Furthermore, the BCP Test report includes all relevant information like the project selected for the drill, start date and time, and points of contact from the BCP team, project team, and other relevant teams.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

Tata Elxsi, being an ER&D organisation, has no adverse impact on the environment.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

All value chain partners undergo environmental impact assessments as part of the vendor evaluation and creation process.

Principle 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

The Company adheres to all relevant regulatory policies and maintains robust systems for continuous monitoring and enhancing compliance measures. By consistently following and improving these standards, Tata Elxsi ensures that its operations meet regulatory requirements and align with ethical business practices.

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/associations.**

Nil

- b. **List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to.**

NA

Leadership Indicators

1. **Details of public policy positions advocated by the entity:**

Nil

Principle 8

Businesses should promote inclusive growth and equitable development.

Tata Elxsi's extensive Corporate Social Responsibility (CSR) projects have a positive impact on various communities, especially vulnerable and marginalised groups. These initiatives encompass education, healthcare, livelihood development, and environmental conservation, fostering the holistic development of society. Additionally, with a focus on social welfare and community empowerment, the Company exemplifies its dedication to building a more inclusive and equitable future for all.

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

New facilities of Tata Elxsi are located in multi-tenanted technology parks. As a result of this, no social impact assessment projects are undertaken by the Company.

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

Tata Elxsi's facilities are situated in multi-tenanted technology parks owing, to which the Company does not undertake any Rehabilitation and Resettlement projects.

3. **Describe the mechanisms to receive and redress grievances of the community**

Tata Elxsi adheres to the Tata Code of Conduct, and all agreements made among stakeholders include provisions for addressing grievances, disputes, and related issues. Moreover, stakeholders are informed about an ethics helpline for reporting concerns.

For more details, please refer to the CSR Report in the Statutory section of the Integrated Report.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

| | 2023-24 (Current financial year) | 2022-23 (Previous financial year) |
|---|-------------------------------------|--------------------------------------|
| Directly sourced from MSMEs/small producers | 27% | 21% |
| Directly from within India | 58% | - |

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost.

| Location | 2023-24 (Current financial year) | 2022-23 (Previous financial year) |
|--------------|-------------------------------------|--------------------------------------|
| Rural | - | - |
| Semi-urban | - | - |
| Urban | - | - |
| Metropolitan | 100% | - |

(Places to be categorised as per the RBI Classification System: rural, semi-urban, urban, or metropolitan)

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Not applicable

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

| State | Aspirational district | Amount spent (in ₹) |
|-----------|-----------------------|---------------------|
| Karnataka | Raichur | 1,775,000.00 |

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/vulnerable groups? (Yes/No) – No

(b) From which marginalised/vulnerable groups do you procure? – Tata Elxsi does not procure from marginalised or vulnerable groups.

(c) What percentage of total procurement (by value) does it constitute? – Nil

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Nil

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property-related disputes wherein usage of traditional knowledge is involved:

Nil

6. Details of beneficiaries of CSR Projects:

Please refer to the CSR Report in the Statutory section of the Integrated Report.

Principle 9

Businesses should engage with and provide value to their consumers in a responsible manner.

Tata Elxsi prioritises enhancing customer experiences through human-centred design principles and technological innovation in its digital design strategy. The Company has established structured mechanisms to receive and address consumer feedback, ensuring their needs are met.

Essential indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback:

Tata Elxsi has a structured process and framework to capture, analyse and act on customer complaints and concerns. All project proposals also have a clearly defined escalation matrix to raise such complaints. This is further supplemented by regular weekly CEO meetings with BU heads and sales heads. The Company obtains instant feedback from its customers on perceived dissatisfaction. The Delivery Excellence organisation monitors every project executed by the Company. Individual quality team members track complaints/concerns and follow up with necessary stakeholders for resolution. Additionally, the complaint or concern is treated as closed only after confirmation from the customer. The quality team presents an aggregated analysis every quarter to the divisional and functional heads for appropriate improvement actions.

2. Turnover of products and services as a percentage of turnover from all products/services that carry information about:

| Particulars | As a percentage of total turnover |
|---|---|
| Environmental and social parameters relevant to the product | Tata Elxsi serves global customers. We ensure that all our deliverables are accompanied by necessary documentation and instructions, as applicable, based on the best-in-class development process. |
| Safe and responsible usage | |
| Usage recycling and/or safe disposal | |

3. Number of consumer complaints in respect of the following:

| | 2023-24 (Current financial year) | | | 2022-23 (Previous financial year) | | |
|--------------------------------|-------------------------------------|-----------------------------------|---------|--------------------------------------|-----------------------------------|---------|
| | Received during the year | Pending resolution at end of year | Remarks | Received during the year | Pending resolution at end of year | Remarks |
| Data privacy | Nil | Nil | Nil | Nil | Nil | Nil |
| Advertising | Nil | Nil | Nil | Nil | Nil | Nil |
| Cyber-security | Nil | Nil | Nil | Nil | Nil | Nil |
| Delivery of essential services | Nil | Nil | Nil | Nil | Nil | Nil |
| Services | Nil | Nil | Nil | Nil | Nil | Nil |
| Restrictive trade practices | Nil | Nil | Nil | Nil | Nil | Nil |
| Unfair trade practices | Nil | Nil | Nil | Nil | Nil | Nil |

4. Details of instances of product recalls on account of safety issues:

As an ER&D organisation in the Business-to-Business (B2B) segment, Tata Elxsi's services are governed by contracts with its global customers, which do not entail any voluntary or forced recalls.

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide the weblink to the policy:

Yes, information security policy.

<https://www.tataelxsi.com/investors/policies-and-disclosures>

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on the safety of products/services:

Tata Elxsi has no reported issues with advertising, delivery of essential services, cybersecurity, customer data privacy, or product recalls. Therefore, no penalties or actions have been taken by regulatory authorities concerning the safety of our products/services.

7. Provide the following information relating to data breaches:

- a. Number of instances of data breaches – Nil
- b. Percentage of data breaches involving personally identifiable information of customers – Nil
- c. Impact, if any, of the data breaches – NA

Leadership Indicators

1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).

<https://www.tataelxsi.com/>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Tata Elxsi is an ER&D organisation operating in the Business-to-business segment and is not involved in the education of consumers about safe and responsible product usage.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

No disruption/discontinuation of essential services.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Not applicable as Tata Elxsi is an ER&D organisation and does not manufacture any of the products.

CERTIFICATE OF REASONABLE ASSURANCE ON ESG DISCLOSURES

This is to certify that

Tata Elxsi Limited

has been assessed and assured for ESG KPIs

(details in Annexure)

as per the requirements of the SEBI Circular

No SEBI/HO/CFD/CFD-SEC2/P/CIR/2023/122 dated July 12, 2023, to support the Design, Development, Verification, Validation, and Maintenance of Software and Solutions for the customers of Tata Elxsi Limited with its Global Headquarters at ITPB Road, Whitefield, Bangalore 560048, Karnataka, India

The verification details are as follows:

Methodology: Onsite verification from **March 6 - 8, 2024** followed by remote validation on **April 16, 2024**. Online and in-person meetings with the concerned teams. Scope of validation includes Documents, policies, procedures, and KPI-related supporting data for the said period.

Validation By: Ajit Acharya, Lead Auditor, ISOQAR India Pvt Ltd

The BRSR consists of a set of Key Performance Indicators (KPIs)/metrics under 9 ESG attributes that are validated during the audit.

| Area | KPI | Unit | 2023-2024 |
|--------------------------|---|------------|--------------------------|
| Products/services | Turnover from Software Development and Services | Percentage | 97.2% |
| | Turnover from Systems Integration and Support | Percentage | 2.8% |
| Operations | Offices nationally | Numbers | 8 |
| | Offices internationally | Numbers | 15 |
| Markets served | Offices nationally by market served | Numbers | 5 States and 1 UT |
| | Offices internationally by market served | Numbers | 24 |
| | Contribution of exports | Percentage | More than 80% of revenue |
| Employees | Permanent male employees | Numbers | 8299 |
| | Permanent female employees | Numbers | 4670 |
| | Other than Permanent male employees | Numbers | 144 |
| | Other than Permanent female employees | Numbers | 38 |
| | Differently abled Permanent male employees | Numbers | 6 |
| | Differently abled Permanent female employees | Numbers | 3 |
| Workers | Other than Permanent male workers | Numbers | 307 |
| | Other than Permanent female workers | Numbers | 98 |

| Area | KPI | Unit | 2023-2024 |
|---|--|----------------|-------------|
| Participation/ Inclusion/ Representation of Women | Female BOD | Numbers | 1 |
| | Female KMP | Numbers | 1 |
| | Total BOD | Numbers | 6 |
| | Total KMP | Numbers | 3 |
| Turnover rate | Turnover rate for male permanent employees | Percentage | 12.6% |
| | Turnover rate for female permanent employees | Percentage | 12.1% |
| Revenue | Net worth | In Lakhs | 2,50,565.00 |
| | Turnover | In Lakhs | 3,55,214.57 |
| Transparency and Disclosure Compliances | Complaints filed by shareholder | Numbers | 103 |
| | Complaints pending resolution by shareholder | Numbers | 4 |
| | Complaints filed by employees | Numbers | 1 |
| | Complaints pending resolution by employees | Numbers | 0 |
| | Complaints filed by customers | Numbers | 21 |
| | Complaints pending resolution by customers | Numbers | 0 |
| Principle 1- Ethical, Transparent and Accountable Business Conduct | Training and awareness program held for BOD & KMP | Percentage | 100% |
| | Training and awareness programs held for employees & workers | Percentage | 100% |
| | Fines/penalties/punishment made | Numbers | 0 |
| | Disciplinary action taken | Numbers | 0 |
| | Complaints regarding conflict of interest | Numbers | 0 |
| | Training and awareness program held for value chain partners | Percentage | 13% |
| Principle 2- Business in a Safe and sustainable manner | R&D Expenditure | Percentage | 1.81% |
| | Sustainably sourced inputs | Percentage | 27% |
| | Safely disposed plastics | In metric Tons | 0.403 |
| | Safely disposed E-waste | In metric Tons | 20.68 |
| | Safely disposed hazardous waste | In metric Tons | 0.0745 |
| | Safely disposed other waste | In metric Tons | 17.671 |
| Principle 3- Business to respect and promote the well- being of employees and value chain partners | Male employees & workers provided with Health Insurance | Percentage | 100% |
| | Female employees & workers provided with Health Insurance | Percentage | 100% |
| | Male employees & workers provided with Accident Insurance | Percentage | 100% |
| | Female employees & workers provided with Accident Insurance | Percentage | 100% |
| | Female employees & workers provided with Maternity | Percentage | 100% |
| | Male employees & workers provided with Paternity benefits | Percentage | 100% |
| | Male employees & workers provided with Day Care facilities | Percentage | 100% |
| | Female employees & workers provided with Day Care facilities | Percentage | 100% |
| | Employees provided with PF | Percentage | 100% |
| | Employees provided with Gratuity | Percentage | 100% |
| | Employees provided with ESI | Number | 0.28% |
| | Return to work and retention rate | Percentage | 100% |
| | Training on health & Safety for employees and workers | Percentage | 100% |
| | Training on skill upgradation for employees | Percentage | 100% |
| | Career development reviews for employees | Percentage | 100% |
| | LTIFR | Number | 0 |
| | No. of fatalities | Number | 0 |
| | Complaints on working conditions | Number | 11 |
| | Complaints on working conditions pending resolution | Number | 0 |
| | Complaints on Health & safety | Number | 11 |
| | Complaints on Health & safety pending resolution | Numbers | 0 |
| | Assessments on Health & Safety for employees and workers | Percentage | 100% |
| | Assessments on Health & Safety for value chain partners | Percentage | 100% |
| | Assessments on Health & Safety for employees and workers | Percentage | 100% |
| | Assessments on Health & Safety for value chain partners | Percentage | 100% |

| Area | KPI | Unit | 2023-2024 |
|--|--|--|-----------|
| Principle 5-Respecting and promoting human rights | Employees and workers provided with human rights training | Percentage | 100% |
| | More than minimum wage provided to employees and workers | Percentage | 100% |
| | Median remuneration for male BOD | Lakh per annum | 1209.31 |
| | Median remuneration for female BOD | Lakh per annum | 230.80 |
| | Median remuneration for male KMP | Lakh per annum | 137.77 |
| | Median remuneration for female KMP | Lakh per annum | 39.18 |
| | Median remuneration for male employees | Lakh per annum | 9 |
| | Median remuneration for female employees | Lakh per annum | 7 |
| | Complaints of Sexual Harassment | Numbers | 4 |
| | Complaints of Sexual Harassment pending resolution | Numbers | 1 |
| Principle 6- To protect and restore the environment | Assessments made for employees and workers on child labor, sexual harassment, forced labor, discrimination at workplace, and wages | Percentage | 100% |
| | Assessments made for value chain partners on child labor, sexual harassment, forced labor, discrimination at workplace, and wages | Percentage | 100% |
| | Energy consumption from renewable sources | In Joules or multiples | 53,36,989 |
| | Electricity consumption from non-renewable sources | In Joules or multiples | 79,42,448 |
| | Fuel consumption from non-renewable sources | In Joules or multiples | 1,02,446 |
| | Air emissions- NOx | µg/m3 (microgram/meter cube) | 18.5 |
| | Air emissions -Particulate matter | µg/m3 (microgram/meter cube) | 51.2 |
| | Air emissions – Non-methyl Hydrocarbon | µg/m3 (microgram/meter cube) | 7.2 |
| | Total Scope 3 emissions | Metric tons of CO2 equivalent | 2037.5 |
| | Total Scope 3 emissions per rupee of turnover | Metric tons of CO2 equivalent | 0.0057 |
| Principle 9- Value to consumers in a responsible manner | Total Scope 3 emission intensity | Per employee | 0.15 |
| | Consumer complaints on Data privacy & Cyber security | Numbers | 0 |
| | Consumer complaints on Advertising, delivery of essential services, Unfair & restrictive trade practices | Numbers | 0 |
| | Instances of data breach | Numbers | 0 |
| | Data breaches involving personally identifiable information of customers | Percentage | 0 |
| GHG footprint | Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | Metric tons of CO2 equivalent | 107.4 |
| | Total Scope 2 emissions (Break-up of the GHG (CO2e) into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | Metric tons of CO2 equivalent | 6433.38 |
| | GHG Emission Intensity (Scope 1 +2) | Metric tons of CO2 equivalent/ employee | 0.50 |
| | | Total Scope 1 and Scope 2 emissions (MT)/Total Revenue from Operations adjusted for PPP. | 4.20 |
| | | Total Scope 1 and Scope 2 emissions (MT)/Total Output of Revenue (INR Crores) | 1.84 |
| | | | |
| Water footprint | Total water consumption | Mn Lt or KL | 67,379 |
| | Water consumption intensity | Mn Lt or KL/Rupee adjusted for PPP | 43.25 |
| | | Total water consumption/ Revenue from operations (INR Crores) | 18.97 |
| | | Total water consumption/ employee | 5.12 |
| | Water Discharge by destination and levels of Treatment | Mn Lt or KL | 65,949 |

| Area | KPI | Unit | 2023-2024 |
|--|--|---|---------------------------------|
| Energy footprint | Total energy consumed | In Joules or multiples | 1,33,81,883 |
| | % of the energy consumed from renewable sources | In % terms | 40.19% |
| | Enhancing Employee Wellbeing and Safety | Total energy consumed/Revenue from operations (INR Crores) | 3767.27 |
| | | Total energy consumed/Revenue from operations adjusted for PPP | 8589.37 |
| | | Total energy consumption/employee | 1017.56 |
| Embracing circularity - details related to waste management by the entity | Plastic waste (A) | Kg/MT | 0.403 |
| | E-waste (B) | Kg/MT | 20.68 |
| | Bio-medical waste (C) | Kg/MT | NIL |
| | Construction and demolition waste (D) | Kg/MT | NIL |
| | Battery waste (E) | Kg/MT | 1.10 |
| | Radioactive waste (F) | Kg/MT | NIL |
| | Other Hazardous waste. Please specify, if any. (G) | Kg/MT | NIL |
| | Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector) | Kg/MT | 17.671 |
| | Total waste generated ((A+B + C + D + E + F + G + H) | Kg/MT | 39.85 |
| | Waste intensity | Total waste generated/Revenue from operations (INR Crores) | 0.01121831 |
| | | Total waste generated/Revenue from operations adjusted for PPP | 0.0255777 |
| | | Total waste generated/Full time employee | 0.003 |
| | Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (Kg or MT) | Recycle | 1.10 (battery waste) |
| | | Reusing | NIL |
| | | Other recovery operations | NIL |
| | For each category of waste generated, total waste disposed by nature of disposal method (Kg or MT) | Incineration | NIL |
| | | Landfilling | NIL |
| | | Other disposal operations | NIL |
| Enhancing Employee Wellbeing and Safety | Spending on measures towards the well-being of employees and workers – cost incurred as a % of the total revenue of the company | In % terms | 0.06% |
| | Details of safety-related incidents for employees and workers (including contract workforce e.g. workers in the company's construction sites) | Number of Permanent Disabilities | 0 |
| | | Lost Time Injury Frequency Rate (LTIFR) (per one million person-hours worked) | 0 |
| | | No. of fatalities | 0 |
| | Gross wages paid to females as % of wages paid | In % terms | 29% |
| Enabling Gender Diversity in Business | Complaints on POSH | Total Complaints of Sexual Harassment (POSH) reported | 4 |
| | | Complaints on POSH as a % of female employees/workers | 0.09% |
| | | Complaints on POSH upheld | 4 |
| Enabling Inclusive Development | Input material sourced from the following sources as % of total purchases – Directly sourced from MSMEs/small producers and from within India | In % terms – As % of total purchases by value | MSME's-22% Within India- 56% |
| | Job creation in smaller towns – Wages paid to persons employed in smaller towns (permanent or non-permanent/on contract) as % of total wage cost | In % terms – As % of total wage cost | 100% (Metropolitan) |

| Area | KPI | Unit | 2023-2024 |
|--|--|--|-----------|
| Fairness in Engaging with Customers and Suppliers | Instances involving loss/breach of data of customers as a percentage of total data breaches or cyber security events | In % terms | 0 |
| | Number of days of accounts payable | (Accounts payable *365)/Cost of goods/services procured | 8 |
| Open-ness of business | Concentration of purchases & sales done with trading houses, dealers, and related parties | Purchases from trading houses as % of total purchases | NA |
| | | Number of trading houses where purchases are made from | NA |
| | | Purchases from top 10 trading houses as % of total purchases from trading houses | NA |
| | Loans and advances & investments with related parties | Sales to dealers/distributors as % of total sales | NA |
| | | Number of dealers/distributors to whom sales are made | NA |
| | | Sales to top 10 dealers/distributors as % of total sales to dealers/distributors | NA |
| | | Share of RPTs (as respective %age) in Purchases 2 | 20% |
| | | Share of RPTs (as respective %age) in Sales 3 | 23% |
| | | Share of RPTs (as respective %age) in Loans & advances 4 | 0 |
| | | Share of RPTs (as respective %age) in Investments 5 | 0 |

Note: PPP value is taken as 22.8 for FY 23-24 for the revenue from Operation adjusted for PPP calculations (source: data.worldbank.org)



United Kingdom (Head Office)
Alcumus ISOQAR Limited
Cobra Court,1, Blackmore Road,
Stretford, Manchester M32 0QY,
United Kingdom
Ph: + 44 161 865 3699
www.alcumusgroup.com

Ground floor, Dossabhoj Mansion,
Plot no 796, Jame Jamshed Road,
Dadar (East), Mumbai-400014,
Maharashtra, India
Tel No: 022 24100704/5

303, MATRIX, Behind Divya Bhaskar Press,
Off. S. G. Highway, Makarba, Ahmedabad- 380 051, Gujarat, India
Ph: +91 79 6617 2106, 07, 09, +91 98255 09181
contact@isoqarindia.com
GST Number: 24AABCI5647P125
CIN Number: U93090GJ2006PTC049103

www.isoqarindia.com

Annexure “A” to the Directors’ Report

Particulars pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 are provided as under:

- (i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company and percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary for the financial year:

| Non-Executive Director | Ratio to median remuneration | % increase in the remuneration of Directors/KMP in the Financial year |
|--|------------------------------|---|
| Mr. N G Subramaniam* | - | - |
| Mrs. Shyamala Gopinath | 27.39 | 3.39% |
| Mr. Sudhakar Rao | 25.45 | 0.33% |
| Prof. Anurag Kumar | 21.09 | 1.10% |
| Mr. Ankur Verma* | - | - |
| Executive Director | | |
| Mr. Manoj Raghavan, MD & CEO | 72.73 | 15.38% |
| KMP | | |
| Mr. Gaurav Bajaj, CFO | | 10.78% |
| Ms. Cauveri Sriram, Company Secretary & Compliance Officer | | 24.28% |

** In line with the internal guidelines of the Company, no payment is made towards commission to the Non-Executive Directors of the Company, who are in full-time employment with any other Tata company and hence not stated.*

- (ii) The percentage increase/(decrease) in the median remuneration of employees in the financial year: **3.14%**
- (iii) The number of permanent employees on the rolls of the Company: **12,969**
- (iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
- The average increase in salaries of employees other than the managerial personnel in FY 2023-24 was 8.7%. The percentage increase/(decrease) in the managerial remuneration for the year was 8.04 %
- (v) The Company hereby affirms that the remuneration is as per the Remuneration Policy of the Company, which was adopted by the Board and is also laid out in the Charter for the Nomination & Remuneration Committee (NRC). The Policy covers the matters related to remuneration to the Managing Director, Key Managerial Personnel and other officers. The Charter lays down the rights, roles and responsibilities of the NRC. A Policy on Board diversity and Governance Guidelines have also been adopted by the Board, on the recommendation of NRC. The Guidelines lay down the following:

Annexure “A” to the Directors’ Report (Contd.)

- Composition and Role of the Board (Role of the Chairman, Directors, size of the Board, Managing Director, Executive Director, Non-Executive Directors, Independent Directors, their term, tenure and directorship)
 - Board appointment
 - Directors’ Remuneration (Guided by the Remuneration Policy)
 - Subsidiary Oversight
 - Code of Conduct (Managing Director, Executive Director, Non-Executive Directors, Independent Directors)
 - Board effectiveness review
 - Mandate of the Board Committee

The Remuneration Policy and the Charter for NRC are available at www.tataelxsi.com/investors/policies-and-disclosures.

Annexure “B” to the Directors’ Report

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

(A) CONSERVATION OF ENERGY:

i. Steps taken or impact on conservation of energy:

The organisation has prioritised energy conservation and implemented several measures to achieve this goal. Listing below some of important steps that contributed in achieving this objective:

- a. The diligent energy use is managed by vigilant monitoring, training to the stakeholders and use of technology.
- b. The organisation is in step with marketplace and already adopted LED lights for its requirement across location. Energy optimisation is achieved by migrating to LED lighting from CFL type of light fittings, a case to highlight is BTP Facility at Bangalore. In phased manner migrated to LED light fittings from CFL in FY 2023-24.
- c. The organisation has installed VFD for AHU motors that optimises the energy consumption in HVAC System.
- d. In HVAC System the VRF air-conditioning system is latest energy efficient solution, enhances operational reliability and uses environment friendly refrigerant. The VRF systems have been implemented in Hoody Campus and all new interior projects.
- e. The Variable air volume (VAV) controllers facilitates to switch ON/ OFF air-conditioning from centralised AHU basis requirements and are being inherently fixed in all the new interior projects. Also, in existing facilities multiple meeting rooms and conference rooms are brought in the ambit of VAV's.
- f. The organisation believes in taking steps to capture all possible energy efficiency options available. Thereby in Hoody campus the cafeteria lift is being refurbished and its main motor is being replaced with latest technology energy efficient motor which will function on VFD.
- g. Old Vintage assets are identified and replaced as an opportunity to drive energy efficiency. In FY 2023-24 cooling tower at RN Development was replaced to achieve 10 % energy efficiency in the specific operation.

ii. Steps taken by the Company for utilising alternate sources of energy:

The organisation has committed to reduce its carbon footprint to fifty percent of its benchmarked carbon footprint by 2025. This goal is taken up earnestly and being targeted by opting to use green energy in many of the locations. Listed below are some of the major steps taken to achieve the objective:

- a. All the newly leased facilities are selected basis criteria that the facility has provision to supply green power.
- b. In the RN Development centre, the organisation has taken steps to purchase green power directly from utility service provider by enacting an agreement.
- c. The organisation has invested in rooftop solar project at SBH facility in Pune to implement 120 kW of rooftop solar. This entails an overall capacity of 320 kW of rooftop solar amounts to 60% increase from existing capacity.

Annexure “B” to the Directors’ Report (Contd.)

iii. the capital investment in energy conservation equipment:

- As on date the organisation in FY 2023-24 has spent ₹42.53,877 plus tax on Energy Conservation.
- The amount budgeted for Rooftop solar of 120kW is ₹46,75,000 plus tax.

(B) TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION:

The Company provides learning and development initiatives to develop critical organisational capabilities, cross-skill resources across business units, train on new methodologies, and develop leadership abilities at various levels.

These programs are created to assist design and engineering teams to get ready and improve their delivery capability and capacity for upcoming projects. The results of these programs also help the Company to demonstrate their technological and developmental expertise to potential clients without revealing the confidentiality of their ongoing work in the same field.

Furthermore, some programs concentrate on developing reusable software components and frameworks, which can potentially generate future revenue streams through commercialisation and licensing.

R&D Activities and Expenditure

During the year, the Company invested 1.84% of revenue towards R&D activities. The Company intends to continue investing in technology IP development, especially those related to automotive, broadcast and communication. Expenditure incurred in the R&D during FY 2023-24 are given below:

- Capital: Nil
- Recurring: ₹65.25 crores
- Total: ₹65.25 crores
- Total R & D expenditure as a total percentage of turnover: 1.84%

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Export revenue constituted 80% of the total revenue in FY 2023-24:

| | (₹ in crores) |
|---------------------------------|---------------|
| Foreign exchange earnings | 2,836.20 |
| CIF Value of imports | 68.17 |
| Expenditure in foreign currency | 748.97 |

For and on behalf of the Board

N. G. Subramaniam
Chairman

Bengaluru, April 23, 2024

Annexure “C” to the Directors’ Report

1. Brief Outline on CSR Policy of the Company

Our CSR activities are designed to:

Serve, societal, local and national goals in all the locations where we operate.

Create a significant and sustained impact on communities affected by our businesses.

Provide opportunities for Tata Employees to contribute to these efforts through volunteering.

Pursuant to Section 135 of the Companies Act, 2013 and the CSR Rules issued thereunder, the Company has formulated and adopted a CSR Policy and the same is available on the Company’s Website at the following link:

<https://www.tataelxsi.com/investors/policies-and-disclosures>

2. Composition of CSR Committee

| Sl. No. | Name of the Director | Designation/Nature of Directorship | No. of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|------------------------|------------------------------------|---|--|
| 1. | Mr. Sudhakar Rao | Chairman, Independent Director | Two (2) | Two (2) |
| 2. | Mrs. Shyamala Gopinath | Member, Independent Director | Two (2) | Two (2) |
| 3. | Mr. Manoj Raghavan | Member, CEO & MD | Two (2) | Two (2) |

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company : <https://www.tataelxsi.com/investors/policies-and-disclosures>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable : **Not Applicable**

5. (a) Average net profit of the Company as per sub-section (5) of section 135: **₹63,016.96 lakhs**
 (b) Two percent of average net profit of the Company as per sub-section (5) of Section 135: **₹1,260.34 lakhs**
 (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: **Nil**
 (d) Amount required to be set-off for the financial year, if any: **Nil**
 (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: **₹12,60,33,914**

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): **₹10,79,42,875**
 (b) Amount spent in Administrative Overheads: **₹53,85,092**
 (c) Amount spent on Impact Assessment, if applicable: **Not Applicable**
 (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: **₹11,33,27,967**

Annexure “C” to the Directors’ Report (Contd.)

(e) **CSR amount spent or unspent for the financial year:**

| Total Amount spent for the Financial Year (in ₹) | Amount Unspent (in ₹) | | | | |
|--|---|------------------|---|--------|------------------|
| | Total Amount transferred to Unspent CSR Account as per section 135(6) | | Amount Transferred to any fund specified under Schedule VII as per second proviso to section 135(5) | | |
| | Amount | Date of transfer | Name of the fund | Amount | Date of Transfer |
| 11,33,27,967 | 1,27,05,947 | April 24, 2024 | | - | |

(f) **Excess amount for set off, if any**

| Sl. No. | Particulars | Amount (in ₹) |
|---------|---|---------------|
| (i) | Two percent of average net profit of the Company as per section 135(5) | 12,60,33,914 |
| (ii) | Total amount spent for the Financial Year | 11,33,27,967 |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | Nil |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | Nil |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | Nil |

7. **Details of Unspent CSR amount for the preceding three financial years:**

| Sl. no. | Preceding Financial Year | Amount transferred to Unspent CSR Account under section 135 (6) (in ₹) | Balance Amount in Unspent CSR Account under sub- section (6) of section 135 (in ₹) | Amount Spent in the Financial Year (in ₹) | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any | | Amount remaining to be spent in succeeding financial years. (in ₹) | Deficiency, if any |
|---------|--------------------------|--|--|---|---|------------------|--|--------------------|
| | | | | | Amount (in ₹) | Date of Transfer | | |
| 1. | 2022-23 | 1,17,34,725 | - | 1,17,34,725 | - | - | - | - |
| 2. | 2021-22 | 44,87,000 | - | 44,87,000 | - | - | - | - |
| 3. | 2020-21 | 2,08,10,000 | - | 2,08,10,000 | - | - | - | - |

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **No**

If Yes, enter the number of Capital assets created/ acquired: **Not applicable**

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

| Sl. no. | Short particulars of the property or asset(s) [including complete address and location of the property] | Pincode of the property or asset(s) | Date of creation | Amount of CSR amount spent | Details of entity/ Authority/ beneficiary of the registered owner | | |
|----------------|---|-------------------------------------|------------------|----------------------------|---|------|--------------------|
| | | | | | CSR Registration Number | Name | Registered Address |
| Not Applicable | | | | | | | |

Annexure “C” to the Directors’ Report (Contd.)

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per subsection (5) of section 135.

With reference to 6 (e) of Annual CSR report, ₹1,27,05,947 is transferred to unspent account towards the multi-year projects as approved by the CSR committee and in accordance with the rules under section 135 of Companies Act by MCA. Amount has been set aside as per the terms of three of the projects taken up in the year. Below are the details of unspent amount details -

1. Viswasanthi Foundation - ₹44,23,425.00
2. Indian Institute of Science (IISc) - ₹79,33,322.00
3. Wildlife Research and Conservation Society (WRCS) - ₹3,49,200.00

The amount thus set aside will be spent as per MCA guidelines and as per contract with the above implementing partners.

Bengaluru, April 23, 2024

Sudhakar Rao
Chairman of the CSR Committee

Manoj Raghavan
Managing Director & CEO

Annexure “C” to the Directors’ Report (Contd.)

DETAILS OF CSR EXPENDITURE OF TATA ELXSI LIMITED DURING THE FINANCIAL YEAR 2023-24

| Sl. no. | Name of the project | Item from the list of activities in Schedule VII to the Act. | Location of the project. | | Amount spent in the current financial Year (in ₹) | Amount transferred to Unspent CSR Account for the project as per Sec 135(6) (in ₹) | SDG areas covered | Mode of Implementation - (Direct) (Yes/No) | Mode of Implementation - if through Implementing Agency | |
|---------|--|--|--------------------------|-----------------------|---|--|-------------------|--|--|-------------------------|
| | | | State | District | | | | | Name | CSR Registration Number |
| 1 | Sponsoring educational assistance for needy students for MSc programme in Environmental Studies. <i>No. of students impacted - 45</i> | Education | Karnataka | Banglore | 30,00,000 | - | SDG 4 | No | Ashoka Trust for Research in Ecology and the Environment | CSR00004694 |
| 2 | Scholarship for needy diploma students. <i>No. of students impacted- 200</i> | Education | Kerala | PAN Kerala | 44,72,775 | 44,23,425 | SDG 4 | No | ViswaSanthi Foundation | CSR00004579 |
| 3 | Skilling the underserved youth <i>No. of beneficiaries - 33</i> | Education | Maharashtra | Mumbai & Pune | 15,06,450 | - | SDG 4, 5 & 10 | No | Tata Strive | CSR00002739 |
| 4 | Setting up an EV lab for research | Education | Kerala | Calicut | 75,24,700 | - | SDG 4, 9 | No | National Institute of Technology Calicut | CSR00052817 |
| 5 | Integrated Educational support project <i>No. of children impacted - 5000</i> | Education | Kerala | Trivandrum, Calicut | 47,95,000 | - | SDG 4 | No | Centre to Promote Self Organised Learning | CSR00023228 |
| 6 | English Shiksha Programme - Education in Public schools of Haliyal taluk of Karnataka <i>No. of students impacted - 750</i> | Education | Karnataka | Uttara Kannada | 20,88,000 | - | SDG 4 | No | CherYsh Trust | CSR00007957 |
| 7 | Education through art for Spastic Children. <i>No. of impacted children (beneficiaries) - 42</i> | Education | Karnataka and Tamil Nadu | Bangalore and Chennai | 20,00,000 | - | SDG 4 & 10 | No | RASA | CSR00004975 |

Annexure “C” to the Directors’ Report (Contd.)

| Sl. no. | Name of the project | Item from the list of activities in Schedule VII to the Act. | Location of the project. | | Amount spent in the current financial Year (in ₹) | Amount transferred to Unspent CSR Account for the project as per Sec 135(6) (in ₹) | SDG areas covered | Mode of Implementation - (Direct) (Yes/No) | Mode of Implementation - if through Implementing Agency | |
|---------|---|--|--------------------------|-----------|---|--|-------------------|--|---|-------------------------|
| | | | State | District | | | | | Name | CSR Registration Number |
| 8 | Family's First Graduate Scholarship programme <i>No. of students impacted - 50</i> | Education | Karnataka | Bangalore | 25,67,750 | - | SDG 4 | No | Team Everest | CSR00003848 |
| 9 | Education of orphan children. <i>No. of impacted children (beneficiaries) - 10</i> | Education | Karnataka | Bangalore | 10,83,912 | - | SDG 2 & 4 | No | Vishranthi Trust | CSR00006482 |
| 10 | Scholarship for needy students from slums in Pune. <i>No. of students covered (beneficiaries) - 50</i> | Education | Maharashtra | Pune | 13,53,000 | - | SDG 4 & 10 | No | Swa-Roopwardhinee | CSR00002033 |
| 11 | Financial support for education to needy students <i>No. of students covered (beneficiaries) - 2</i> | Education | Karnataka | Bangalore | 1,69,760 | - | SDG 4 | Yes | Direct | - |
| 12 | Augmenting the AI Lab for M Tech AI students at IISc | Education | Karnataka | Bangalore | 75,00,000 | 79,33,322 | SDG 4, 9 | No | Indian Institute of Science (IISc) | CSR00007370 |
| 13 | Setting up an advanced technology lab for training students from slums in Pune <i>No. of students covered - 1000</i> | Education | Maharashtra | Pune | 10,58,860 | - | SDG 4, 9 | No | Swa-Roopwardhinee | CSR00002033 |
| 14 | Augmenting the mobile science lab project for school students in Pune <i>No. of students covered - 15000</i> | Education | Maharashtra | Pune | 10,34,000 | - | SDG 4, 9 | No | Swa-Roopwardhinee | CSR00002033 |
| 15 | Enhancing school infrastructure through Mural Wall Painting | Education | Karnataka | Bangalore | 35,000 | - | SDG 4, 11 | No | Makkala Jagriti | CSR00004044 |

Annexure “C” to the Directors’ Report (Contd.)

| Sl. no. | Name of the project | Item from the list of activities in Schedule VII to the Act. | Location of the project. | | Amount spent in the current financial Year (in ₹) | Amount transferred to Unspent CSR Account for the project as per Sec 135(6) (in ₹) | SDG areas covered | Mode of Implementation - (Direct) (Yes/No) | Mode of Implementation - if through Implementing Agency | |
|---------|---|--|--------------------------|------------|---|--|-------------------|--|---|-------------------------|
| | | | State | District | | | | | Name | CSR Registration Number |
| 16 | Teaching Learning Materials creation for Anganwadi children for early education improvement | Education | Karnataka | Bangalore | 33,000 | - | SDG 4, 11 | No | Makkala Jagriti | CSR00004044 |
| 17 | Proposal for Infrastructure Development of SCP Home Government LP School, Pazhavangadi <i>No. of students impacted - 30</i> | Education | Kerala | Trivandrum | 96,400 | - | SDG 4, 11 | No | Centre to Promote Self Organised Learning | CSR00023228 |
| 18 | Proposal for Infrastructure Support for Aided Lower Primary School, Kachery, Mukkam <i>No. of students impacted - 70</i> | Education | Kerala | Calicut | 4,94,800 | - | SDG 4, 11 | No | Centre to Promote Self Organised Learning | CSR00023228 |
| 19 | Addressing health status of 12 Tribal Villages in Pune District in a sustainable way. <i>No. of beneficiaries addressed - 9000</i> | Healthcare | Maharashtra | Pune | 63,36,819 | - | SDG 3 | No | KEM Hospitals | CSR00004640 |
| 20 | Project DISHA (Directive for Slum Health Action). <i>No. of beneficiaries addressed - 15000</i> | Healthcare | Karnataka | Banglore | 69,97,800 | - | SDG 3 | No | Bangalore Baptist Hospital | CSR00005121 |
| 21 | Providing palliative care expenses for 1 ward of patients for 1 month. <i>No. of beneficiaries addressed - 11</i> | Healthcare | Karnataka | Banglore | 5,00,000 | - | SDG 3 | No | Karunashraya | CSR00002889 |

Annexure “C” to the Directors’ Report (Contd.)

| Sl. no. | Name of the project | Item from the list of activities in Schedule VII to the Act. | Location of the project. | | Amount spent in the current financial Year (in ₹) | Amount transferred to Unspent CSR Account for the project as per Sec 135(6) (in ₹) | SDG areas covered | Mode of Implementation - (Direct) (Yes/No) | Mode of Implementation - if through Implementing Agency | |
|---------|--|--|--------------------------|-----------------------------------|---|--|-------------------|--|--|-------------------------|
| | | | State | District | | | | | Name | CSR Registration Number |
| 22 | M-Cups - Menstrual Hygiene Management <i>No. of women impacted - 5000</i> | Healthcare | Karnataka | Raichur | 17,75,000 | - | SDG 3, 5 | No | HLL Management Academy | CSR00004546 |
| 23 | R2D2 Project | Healthcare | Tamil Nadu | Chennai | 1,25,00,000 | - | SDG 3 & 10 | No | Indian Institute of Technology - Madras (IIT - Madras) | CSR00004320 |
| 24 | Strengthening Early Identification of Disability at Primary Healthcare Level in 3 Districts of Karnataka. <i>No. of beneficiaries addressed - 250</i> | Healthcare | Karnataka | Banglore, Chamaraj nagara, Tumkur | 10,74,000 | - | SDG 2 & 10 | No | Mobility India | CSR00005786 |
| 25 | Expense for extending prolotherapy to 1800 patients per year at highly subsidised rates. <i>No. of patients impacted - 1800</i> | Healthcare | Kerala | Trivandrum | 8,40,000 | - | SDG 3 | No | Sree Chitra Tirunal Institute for Medical Science and Technology | CSR00005589 |
| 26 | Oldage and Orphanage Support <i>No. of beneficiaries impacted - 159</i> | Healthcare | Kerala | Trivandrum | 35,00,000 | - | SDG 3 | No | Sri Sathya Sai Orphanage Trusts | CSR00006904 |
| 27 | Running mobile clinics and a providing a van to address cardiac emergencies for villages of Karjat Tehsil, Pune <i>No. of beneficiaries - 25000</i> | Healthcare | Maharashtra | Pune | 58,67,300 | - | SDG 3 & 10 | No | Adarsh Prathisthan | CSR00016647 |
| 28 | Eco-restoration of Peri-Urban Lake and Wetland ecosystems | Environment | Karnataka | Bangalore | 64,00,000 | - | SDG 6, 11, & 13 | No | Eco Watch | CSR00001382 |

Annexure “C” to the Directors’ Report (Contd.)

| Sl. no. | Name of the project | Item from the list of activities in Schedule VII to the Act. | Location of the project. | | Amount spent in the current financial Year (in ₹) | Amount transferred to Unspent CSR Account for the project as per Sec 135(6) (in ₹) | SDG areas covered | Mode of Implementation - (Direct) (Yes/No) | Mode of Implementation - if through Implementing Agency | |
|------------------|--|--|--------------------------|------------|---|--|-------------------|--|--|-------------------------|
| | | | State | District | | | | | Name | CSR Registration Number |
| 29 | Coffee Plantation and Allied Agriculture Activities for Sustainable Livelihoods Development. <i>No. of beneficiaries addressed - 1500</i> | Environment | Karnataka | Kodagu | 1,20,20,900 | - | SDG 1, 2 & 8 | No | BAIF | CSR00000259 |
| 30 | Kannamangala Lake restoration and rejuvenation. <i>No. of indirect beneficiaries - 10000</i> | Environment | Karnataka | Bangalore | 78,31,854 | - | SDG 6 & 13 | No | Ashoka Trust for Research in Ecology and the Environment | CSR00004694 |
| 31 | Creating a natural biodiverse environment in 50 acres of public land in Khed Taluka, Pune | Environment | Maharashtra | Pune | 10,00,000 | - | SDG 13 | No | 14 Trees Foudnation | CSR00055456 |
| 32 | Beach Cleaning | Environment | Kerala | Trivandrum | 80,995 | - | SDG 13 & 14 | No | Kanal Innovation Trust | CSR00027541 |
| 33 | Conservation of forests in Koyna-Chandoli corridor by tree plantation | Environment | Maharashtra | Koyna | 4,04,800 | 3,49,200 | SDG 13 | No | Wildlife Research and Conservation Society | CSR00004158 |
| SUM TOTAL | | | | | 10,79,42,875 | 1,27,05,947 | | | | |

Annexure “D” to the Directors’ Report

Form No. AOC-2

Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-Section (1) of Section 188 of the Companies Act, 2013 including certain arm’s length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm’s length basis:

Tata Elxsi Limited (the Company) has not entered into any contract/arrangement/transaction with its related parties which are not in ordinary course of business or at arm’s length during the financial year 2023-24.

- (a) Name(s) of the related party and nature of relationship: Not Applicable
- (b) Nature of contracts/arrangements/transactions: Not Applicable
- (c) Duration of the contracts / arrangements/transactions: Not Applicable
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
- (e) Justification for entering into such contracts or arrangements or transactions: Not Applicable
- (f) Date(s) of approval by the Board: Not Applicable
- (g) Amount paid as advances, if any: Not Applicable
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188: Not Applicable

2. Details of material contracts or arrangement or transactions at arm’s length basis:

- (a) Name(s) of the related party and nature of relationship: Jaguar Land Rover Limited, UK (‘JLR’) is a subsidiary of Tata Motors Limited. Jaguar Land Rover Limited, UK is a related party to Tata Elxsi within the meaning of Section 2(76) of the Companies Act, 2013 read with Regulation 2(1)(zb) of SEBI Listing Regulations, considering its association with the promoter group member and related party, Tata Motors Limited.
- (b) Nature of contracts/arrangements/transactions: Contract/agreement to provide design, technology and engineering services, including advanced R&D.
- (c) Duration of the contracts/arrangements/transactions: Ongoing, multi-year engagements.
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Tata Elxsi provides a range of services to JLR, such as outsourcing, research and development, software development, testing, validation, and support, across various domains, such as infotainment, connectivity, autonomous driving, electrification, and digital engineering.
- (e) The total value of transactions during FY 2023-24 is ₹642.73 crores.
- (f) Date(s) of approval by the Board, if any: May 18, 2023, and January 23, 2024
The Company had sought the approval of shareholders at 34th AGM for transactions with Jaguar Land Rover Limited, up to a maximum aggregate value of ₹600 crores for the financial year 2023-24. Further, the shareholders through Postal Ballot Notice dated February 13, 2024 have approved the following material related party transactions:
 - 1. Revision the limit of Material Related Party Transaction with JLR, UK to ₹675 crores for FY 2023-24 and
 - 2. Material Related Party Transaction(s) with JLR, UK for ₹1,000 crores in FY 2024-25
- (g) Amount paid as advances, if any: None

For and on behalf of the Board

N. G. Subramaniam
Chairman

Bengaluru, April 23, 2024

Annexure “E” to the Directors’ Report

Form No. MR - 3 SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2024

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

TO THE MEMBERS OF TATA ELXSI LIMITED

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Tata Elxsi Limited, (hereinafter called the ‘Company’). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit and as per the explanations and clarifications given to us and the representations made by the Management, we, hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes’ books, forms and returns filed and other records made available to us and maintained by Tata Elxsi Limited for the financial year ended on March 31, 2024 according to the applicable provisions of:

- (i) The Companies Act, 2013 (“the Act”) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (“SCRA”) and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (“SEBI Act”): -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - (c) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021

Annexure “E” to the Directors’ Report (Contd.)

- (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (e) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
- (f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (No events during the audit period)
- (g) The Securities and Exchange Board of India (Issue of Listing of debt securities) Regulations, 2008 (No events during the audit period)
- (h) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. (No events during the audit period)
- (i) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client. (No events during the audit period)
- (j) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (No events during the audit period)
- (k) The Securities and Exchange Board of India (Buy back of securities) Regulations, 2018. (No events during the audit period)
- (vi) Other Laws as informed and certified by the Management of the Company which are specifically applicable to the Company based on their sector/industry are:
 - (a) The Information Technology Act, 2000 and the Rules made thereunder
 - (b) Policy relating to the Software Technology Park of India and its regulations
 - (c) The Indian Copyright Act, 1957
 - (d) The Patents Act, 1970
 - (e) The Trade Marks Act, 1999
 - (f) The Special Economic Zone Act 2005 & the rules made thereunder

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretary of India with respect to Board and General meetings
- ii. The listing Agreements entered into by the Company with the National Stock exchange of India limited and BSE limited read with SEBI (Listing obligations and Disclosure Requirements) Regulations 2015

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review.

Adequate notice was given to all Directors to schedule the Board Meetings and Committee Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance, except in cases where meetings were

Annexure “E” to the Directors’ Report (Contd.)

contended at shorter notice. The Company has complied with the provisions of Act for convening the meetings at a shorter notice. A systems/processes exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the Minutes, all the decisions at the Board Meetings and committee meetings are carried out unanimously.

We further report that based on the Compliance mechanism established by the Company, and on the basis of Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s) we are of the opinion that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the review period, the following major events which had bearing on the Company’s affairs in pursuance of the above referred laws rules, regulations, guidelines standards etc.

The Members of the Company, have on March 16, 2024, vide ordinary Resolution passed through Postal Ballot by means of remote e- voting.

- i) approved the modification of the material related Party Transactions with Jaguar Land Rover Limited, UK for the FY 2023-24, Members have in the 34th Annual general meeting conducted on July 04, 2023 approved the related party transaction aggregating to ₹600.00 crores, The transaction value has been modified to ₹675.00 crores
- ii) Approval of the Related Party Transaction with Jaguar land Rover Limited, UK for the FY 2024-25 for an aggregate value of ₹1,000 crores to be entered during the FY 2024-25 subject to such contract /agreement/ being carried out at arm’s length in the ordinary course of business of the Company

For Jayashree Parthasarathy & Co

Company Secretaries

Jayashree Parthasarathy

FCS No 4610; CP NO. 1988

UDIN No.: F004610F000213544

Peer Review No. 2603/2022

Place: Bengaluru

Date: April 23, 2024

Note: This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report

Annexure “E” to the Directors’ Report (Contd.)

ANNEXURE: A**TO THE MEMBERS OF TATA ELXSI LIMITED**

Our report on even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on their secretarial records based on my Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The Verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices followed provide a reasonable basis for my opinion.
3. The correctness and appropriateness of the financial records and Books of accounts of the Company have not been verified.
4. Wherever required, We have obtained the Management representation about the compliances of laws, Rules, Regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination is limited to verification of procedure on random test basis.
6. The Secretarial Audit is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Jayashree Parthasarathy & Co
Company Secretaries

Jayashree Parthasarathy

FCS No 4610; CP NO. 1988

Place: Bengaluru UDIN No.: F004610F000213544

Date: April 23, 2024 Peer Review No. 2603/2022

Certificate of Non-Disqualification of Directors

[Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To the Members,

Tata Elxsi Limited

ITBP Road, Whitefield,

Bengaluru 560048

We have examined the following documents:

1. Declaration of non-disqualification as required under section 164 of the companies Act 2013,
2. Disclosure of concern of interest as required under section 184 of the Act. (hereinafter referred to as relevant documents)

As received from the Directors of **Tata Elxsi Limited** bearing CIN-L85110KA1989PLC009968, having its registered office at ITBP Road, Whitefield, Bengaluru, 560048 (hereinafter referred to as 'the Company'), and the relevant registers, records, forms, and returns maintained by the Company and made available to us by the Company for the purpose of issuing this certificate in accordance with regulation 34(3) read with Schedule V Part C Clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015.

Based on the examination as aforesaid, and such other verification carried out by us as deemed necessary and adequate [(Including Director Identification Number (DIN)] status of the respective directors at the portal www.mca.gov.in. In our opinion and best of our belief, information and knowledge and according to the explanations provided by the Company its officers and authorised representatives and written representation made by the respective directors, we hereby certify that none of the directors on the Board of the Company as stated below for the financial year ending on March 31, 2024 have been debarred or disqualified from being appointed or continuing as the director of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other statutory authority.

| Sl. no. | Name of the Director | DIN | Date of appointment* | Date of cessation |
|---------|-----------------------------|----------|----------------------|-------------------|
| 1 | Mr. N Ganapathy Subramaniam | 07006215 | November 01, 2014 | Nil |
| 2 | Mrs. Shyamala Gopinath | 02362921 | August 18, 2011 | Nil |
| 3 | Mr. Sudhakar Rao | 00267211 | August 01, 2016 | Nil |
| 4 | Mr. Ankur Verma | 07972892 | August 01, 2018 | Nil |
| 5 | Mr. Raghavan Manoj | 08458315 | October 02, 2019 | Nil |
| 6 | Mr. Anurag Kumar | 03403112 | November 15, 2020 | Nil |

*Date of appointment is as per MCA portal

Ensuring the eligibility for the appointment/ continuity as the director of the board is the responsibility of the Management of the Company. Our responsibility is to express an opinion based on our verification and representation made by the respective directors.

This Certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Jayashree Parthasarathy & Co
Company Secretaries

Jayashree Parthasarathy

FCS No 4610; CP NO. 1988

UDIN No.: F004610F000213511

Peer Review No.: 2603/2022

Place: Bengaluru

Date: April 23, 2024

Compliance Report on Corporate Governance

1. A BRIEF STATEMENT ON THE COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

The corporate governance philosophy of your Company is based on the tenets of integrity, accountability, transparency, value and ethics, demonstrating the Company's commitment to adopting the highest standards of professionalism, honesty, integrity, and ethical behaviour. Strong leadership and effective Corporate Governance practices have been the Company's hallmark inherited from the Tata culture and ethos. The Company constantly endeavours to create and sustain long-term value for all its stakeholders including, but not limited to, shareholders, employees, customers, business partners, suppliers, and the wider communities that we serve. The corporate governance philosophy of the Company has been further strengthened through the Tata Code of Conduct, Tata Business Excellence Model, Tata Code for Prevention of Insider Trading and Code of Corporate Disclosure practices policies.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regard to corporate governance.

2. BOARD OF DIRECTORS

The Board of Directors along with its Committees provides leadership and guidance to the Management and directs and supervises the performance of the Company, thereby enhancing stakeholder value. The Board has a fiduciary relationship in ensuring that the rights of all stakeholders are protected. Your Company has an engaged and well-informed Board with qualifications and experience in diverse areas. The composition of the Board of the Company is in compliance with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Companies Act, 2013.

The Board comprises of members having varied skills, experience and knowledge. The Board has an optimum combination of both Independent and Non-independent Directors. As on March 31, 2024, the Board of Directors of the Company comprised of six (6) Directors, with three (3) Non-Executive Independent Directors, two (2) Non-Executive Non-Independent Directors and one Executive Director. None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (as specified under Regulation 26 (1) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, across all the listed companies in which they are Directors. Necessary disclosures regarding Committee positions have been made by the Directors. The Independent Directors are independent of the management and fulfil the requirements as stipulated in Section 149 (6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Chairman of the Board is a Non-Executive Non-Independent Director and not related to the Managing Director & Chief Executive Officer ('MD&CEO') of the Company. A clear distinction exists between the roles and duties of the Chairman and the Managing Director & CEO.

The composition of the Board of Directors as on March 31, 2024 is detailed below:

i. Mr. N.G.Subramaniam (DIN: 07006215)

Chairman, Non-Executive, Non-Independent

Mr. N. Ganapathy Subramaniam is the Chairman (Non-Executive and Non-Independent) of Tata Elxsi Limited since November, 2014. He is also the Chief Operating Officer (COO) and Executive Director of Tata Consultancy Services (TCS) Limited since February 2017. Prior to taking over as the COO of TCS, he served as the Executive Vice President and Head of TCS Financial Solutions, a strategic business unit of TCS. Mr. Subramaniam brings in-depth knowledge

Compliance Report on Corporate Governance (Contd.)

about technology trends, systems and policies of leading global corporations, and international business. He actively participates in banking, technology and business forums in addition to specific knowledge streams in risk management and Six Sigma orientation.

The details of directorship of Mr. N.G.Subramaniam in other equity listed companies as on March 31, 2024 is as under:

| Sl. no. | Name of the listed entity | Category of Directorship |
|---------|-----------------------------------|---|
| 1. | Tata Consultancy Services Limited | Wholetime Director [Executive Director] |
| 2. | Tata Communications Limited | Non-Executive Non-Independent Director |
| 3. | Tejas Networks Limited | Non-Executive Non-Independent Director [Chairman] |

ii. Mrs. Shyamala Gopinath (DIN: 02362921)

Non-Executive, Independent, Women Director

Mrs. Shyamala Gopinath has vast experience in guiding and influencing national policies in diverse areas of financial sector regulation and supervision, development and regulation of financial markets, capital account management, management of government borrowings, forex reserves management, RBI accounts, and payment and settlement systems. Mrs. Gopinath holds a Master of Commerce degree and is a Certified Associate of the Indian Institute of Bankers and has retired as Deputy Governor of the Reserve Bank of India. She is also on the Board of other Listed and Unlisted companies.

The details of the directorship of Mrs. Shyamala Gopinath in other equity-listed companies as on March 31, 2024:

| Sl. no. | Name of the listed entity | Category of Directorship |
|---------|-----------------------------------|------------------------------------|
| 1. | Colgate-Palmolive (India) Limited | Non-Executive Independent Director |
| 2. | BASF India Limited | Non-Executive Independent Director |

| Sl. no. | Name of the listed entity | Category of Directorship |
|---------|---------------------------|--|
| 3. | CMS Info Systems Limited | Non-Executive Non-Independent Director [Chairperson] |
| 4. | CRISIL Limited | Non-Executive Independent Director |

iii. Mr. Sudhakar Rao (DIN: 00267211)

Non-Executive, Independent Director

Mr. Sudhakar Rao is a retired Indian Administrative Service ('IAS') Officer of the 1973 batch. He held various positions including Chairman & Managing Director of the Karnataka Urban Infrastructure development and Finance Corporation (KUIDFC); Principal Secretary - Finance; Principal Secretary - Home; Principal Secretary to the Chief Minister of Karnataka; Development Commissioner and was the Chief Secretary of Karnataka until his superannuation from government service on September 30, 2009. Mr. Rao holds a Master's Degree in Economics from the Delhi School of Economics and a Master's Degree in Public Administration from the Kennedy School of Government, Harvard University.

He was conferred with the Kannada Rajyotsava Award, under the Public Service category by the Government of Karnataka on November 01, 2010. Mr. Rao held directorships in listed and unlisted companies of good repute in the market. In the past, he held directorships in Indian Oil Corporation Limited, United Spirits Limited, Healthcare Global Enterprises Limited, BSE Limited etc.

As on March 31, 2024 Mr. Sudhakar Rao does not hold any directorship in any other listed company.

iv. Prof. Anurag Kumar (DIN: 03403112)

Non-Executive, Independent Director

Prof. Anurag Kumar, B.Tech (1977) IIT Kanpur, PhD (1981) Cornell University, was a Member of Technical Staff in AT&T Bell Laboratories (1981-1988), before returning to India and joining the

Compliance Report on Corporate Governance (Contd.)

Indian Institute of Science (IISc) as a faculty member in the ECE Department. He became a Professor in 1996, and held the position as Director of IISc during 2014-2020. He has published 200 peer-reviewed papers in journals and conferences, in the area of communications networking and distributed systems.

He has consulted for government and private organisations and has mentored a networking start-up from its early years to being a global footprint. He has led the authorship of two major books that have been used around the world. He was the 1977 President's Gold Medalist in IIT Kanpur. He has been elected Fellow of the IEEE, the Indian National Science Academy (INSA), the Indian National Academy of Engineering (INAE), the Indian Academy of Science (IASc), and The World Academy of Sciences (TWAS). He received the 2015 Vasvik Award for Information Technology, and the 2017 IEI-IEEE Award for Engineering Excellence. He is a recipient of the J.C. Bose National Fellowship, awarded by the Department of Science Technology, for the period 2011-2021.

As on March 31, 2024 Prof. Anurag Kumar does not hold any directorship in any other listed company.

v. **Mr. Ankur Verma (DIN: 07972892)**

Non-Executive, Non-Independent Director

Mr. Ankur Verma, a B.E. in Mechanical Engineering and PGDM from IIM, Calcutta has around 25 years of experience in Investment Banking, Capital Markets and Corporate Strategy.

At present, Mr. Verma is Group Chief Strategy Officer at Tata Sons Private Limited, where he has responsibilities in strategy, corporate finance and mergers and acquisitions. Previously, he was Managing Director (Investment Banking Division) in Bank of America Merrill Lynch, and also Group Manager & Head, Business Planning in Infosys Technologies Limited – Corporate Planning Group. He currently serves on the boards of several Tata group companies.

The details of directorship of Mr. Ankur Verma in other equity listed companies as on March 31, 2024

| Sl. no. | Name of the listed entity | Category of Directorship |
|---------|---|--|
| 1. | Tata Teleservices (Maharashtra) Limited | Non-Executive Non-Independent Director |
| 2. | Tata Communications Limited | Non-Executive Non-Independent Director |

vi. **Mr. Manoj Raghavan (DIN: 08458315)**

Managing Director

Mr. Manoj Raghavan is the Managing Director ('MD') and Chief Executive Officer ('CEO') of Tata Elxsi Limited, and has over 26+ years of industry experience. Prior to taking over the role of MD & CEO, he served as the Executive Vice President and Head of the Embedded Product Design (EPD) division, spearheading the sales, overall delivery and P&L for this division. He joined Tata Elxsi Limited in 1997 as Regional Manager to set up and grow Japan operations. Subsequently, he was also responsible for developing the business in South Korea, Taiwan, Singapore and China.

Manoj Raghavan holds a B.Tech from IIT Madras, an MBA from The Indian Institute of Foreign Trade, New Delhi and has completed the Advanced Management Program from Harvard Business School.

As on March 31, 2024, Mr. Manoj Raghavan does not hold directorships in any other listed entity.

Note: The Board of the Company, at its meeting held on April 3, 2024, based on the recommendation of the Nomination and Remuneration Committee, subject to the approval of the Members of the Company, considered and approved the appointment of Ms. Ashu Suyash (DIN: 00494515) and Mr. Soumitra Bhattacharya (DIN: 02783243) as Additional Directors (Non-Executive Independent Directors). The profile of Ms. Ashu Suyash and Mr. Soumitra Bhattacharya can be accessed at <https://www.tataelxsi.com/board-of-directors>.

Compliance Report on Corporate Governance (Contd.)

None of the Non-Executive Directors hold any shares and/or convertible instruments in the Company as at March 31, 2024.

None of the Directors are related to each other within the meaning of the term “relative” as per Section 2(77) of the Companies Act, 2013.

Core Competencies of the Board Members

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

The Board has, taking into consideration the Company’s nature of business, core competencies, key characteristics, identified the following core skills/ expertise/ competencies as required in the context of its business(es) & sector(s) for it to function effectively and which are available with the Board.

The mapping of the same with each of the Directors are as below:

| Competencies | N.G. Subramaniam | Shyamala Gopinath | Sudhakar Rao | Prof. Anurag Kumar | Ankur Verma | Manoj Raghavan |
|--|------------------|-------------------|--------------|--------------------|-------------|----------------|
| Understanding of IT services business | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Knowledge on key industry and technology trends | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| International business management and familiarity with global policies and regulations | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Corporate Strategy & Expertise | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Risk management | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Financial management | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Governance and Compliance | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Stakeholders’ management | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| People & Performance Management | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

As part of its statutory function under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), at the time of recommendation of a candidature for position of Director, the Nomination and Remuneration Committee of the Board in relation to the prospective appointee, undertakes reference and due diligence checks and meets potential candidates before making recommendations to the Board to evaluates his/her skills, experience and knowledge vis-à-vis the industry in which the Company operates in, to ensure that the

Board is well-balanced with right blend of skills. Once a suitable candidate is identified, the NRC recommends their appointment to the Board for approval. Upon receiving the NRC’s recommendation, the Board considers and appoints the individual as an Additional Director and proposes the appointment to the shareholders for their approval. Each Director of the Company is appointment with the approval of the Board and Shareholders. All Directors seek periodic re-appointment by the shareholders, and none of the Directors have perpetual term of office.

Compliance Report on Corporate Governance (Contd.)

Performance evaluation of the Board and the Committees

The board evaluation is an essential part of the Company's commitment to good corporate governance. The Company has laid down a process for performance evaluation of the Board and its Committees as well as a framework for evaluation of the performance of each of the Directors. The evaluation criteria include inter-alia, structure of the Board, qualifications, experience and competency of Directors, diversity in Board, effectiveness of the Board process, information and functioning, Board culture and dynamics, quality of relationship between the Board and management, meetings of the Board, including regularity and frequency, discussion and dissent, corporate culture and values, governance and compliance, evaluation of risk amongst others. The criteria is based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 05, 2017. The evaluation process is conducted and monitored by the Chairperson, Nomination & Remuneration Committee ('NRC') in consultation with the members of the Committee. Upon the receipt of feedback from Directors, the Chairperson, NRC conducts a one-to-one meeting with the Members. Thereafter, the Chairperson of the NRC briefs the Board about the consolidated responses / outcome of the evaluation. The performance evaluation of Independent Directors is done by the entire Board of the Company collectively excluding the Independent Director being evaluated.

For the financial year 2023-24, the performance evaluation has been conducted as per the process adopted by the Company, which is detailed out above. In a separate meeting of Independent Directors, the performance of Non-Independent Directors, the Board as a whole, and the Chairman of the Company was evaluated.

Independent Directors

As on March 31, 2024, the Board of Tata Elxsi Limited comprised of three (3) Independent Directors, who in the opinion of the Board, fulfil the requirements as stipulated under Section 149 of the Companies Act, 2013 and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the Management. The necessary declarations from Independent Directors affirming that they meet the criteria of independence as required under Section 149(7) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are obtained. The Independent Directors abide by the code of conduct adopted by the Company and as laid out under Schedule IV of the Companies Act, 2013.

Meeting of Independent Directors

A separate meeting of Independent Directors for the financial year 2023-24 as per Clause VII(1) of Schedule IV under Section 149(8) of the Companies Act, 2013 and Regulation 25(3) of the Listing Regulations was held on Tuesday, May 09, 2023, without the participation of the Non-Independent Directors and management members, wherein the Independent Directors reviewed:

- the performance of the Managing Director, Non-Independent Directors and the Board as a whole;
- the performance of the Chairperson of the Company based on the views received from Directors of the Company; and
- the flow of information between Company management and the Board in terms of quality, timeliness and quantity, in order to ensure that the Board discharges its duty effectively.

Compliance Report on Corporate Governance (Contd.)

Familiarisation for Independent Directors

The Independent Directors immediately on appointment are issued a formal letter of appointment and a welcome kit outlining their rights, roles and responsibilities, and the business overview of the Company, policies etc. The Chairman and the Managing Director of the Company, brief the Director individually on the industry and businesses of the Company. The Directors are briefed on the different business units of the Company, the industry as a whole and other details like customers, market etc., at the Business plan meeting, normally held in the third/fourth quarter of each financial year. For FY 2023-24, the Annual Business Plan meeting was held on Tuesday, January 23, 2024, which included a session with the management team, wherein, the Directors were walked through the market of different Business units, the customers, the future prospects, emerging technologies etc. The details regarding the familiarisation of Independent Directors is available on the website of the Company at <https://www.tataelxsi.com/investors/policies-and-disclosures>.

Senior Management

Particulars of the senior management in compliance with Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as on March 31, 2024 are as under:

| Name of the Senior Management | Category |
|-------------------------------|--|
| Mr. Nitin Pai | Chief Marketing Officer and Chief Strategy Officer |
| Mr. Rajagopalan S | Head, HR |
| Mr. Gaurav Bajaj | Chief Financial Officer |
| Ms. Cauveri Sriram | Company Secretary & Compliance Officer |

Details regarding Board Meetings

During FY 2023-24, five (5) Board meetings were held and the gap between any two consecutive meetings did not exceed the prescribed time under the applicable laws for the time being in force. The necessary quorum was present at each of the meetings. During FY 2023-24, the Board meetings were held on May 18, 2023, July 17, 2023, October 17, 2023, January 23, 2024, and March 22, 2024.

Compliance Report on Corporate Governance (Contd.)

The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the year and the last Annual General Meeting and the number of Directorships held by them in other companies are given below:

| Name | Category | No. of Board Meetings attended during FY 2023-24 | Whether attended AGM held on July 04, 2023 | No. of Chairmanships / Directorships in other Boards / Committees* of public companies** | | | |
|---|-----------------------------------|--|--|--|---|---------------------|-------------------------|
| | | | | Chairman / Chairperson of the Board | Chairman / Chairperson of the Committee | Member of the Board | Member of the Committee |
| Mr. N.G. Subramaniam [DIN: 07006215] | Non Independent/ Non-Executive | 5 | Yes | 1 | - | 2 | - |
| Mrs. Shyamala Gopinath [DIN: 02362921] | Independent/ Non-Executive | 4 | Yes | 1 | 4 | 6 | 2 |
| Mr. Sudhakar Rao [DIN: 00267211] | Independent/ Non-Executive | 5 | Yes | - | 1 | 2 | 1 |
| Dr. Anurag Kumar [DIN: 03403112] | Independent/ Non-Executive | 5 | Yes | - | - | - | - |
| Mr. Ankur Verma [DIN: 07972892] | Non Independent/ Non-Executive | 5 | Yes | - | - | 8 | 9 |
| Mr. Manoj Raghavan [DIN: 08458315] | Managing Director | 5 | Yes | - | - | - | - |

*In terms of Regulation 26(1)(b) of the Listing Regulations, the disclosure includes chairmanship/membership of the Audit Committee and Stakeholders' Relationship Committee in other Indian Public companies (listed and unlisted).

**For the purpose of reckoning Directorship /Committees position on which a Director can serve, all public limited companies, whether listed or not, have been included and all other companies including private limited companies, deemed public companies, foreign companies, and companies under Section 8 of the Companies Act, 2013, have been excluded.

Note: The Board of Directors have inducted Ms. Ashu Suyash (DIN: 00494515) and Mr. Soumitra Bhattacharya (DIN: 02783243) as Non-Executive, Independent Directors of the Company with effect from April 04, 2024.

3. AUDIT COMMITTEE

The Board has established a qualified and independent Audit Committee in accordance with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Audit Committee comprises of four (4) Members, with three (3) Members as Independent Directors. The Chairperson of the Committee Mrs. Shyamala Gopinath is an Independent Director.

The Members of the Audit Committee have relevant experience in accounting matters and possess related financial management expertise and are considered financially literate as defined in Regulation 18(1)(c) of the Listing Regulations. The Chairperson of the Audit Committee is an Independent Director and has expertise in banking, finance, corporate laws, and governance matters. The Chairperson of the Audit Committee attended the last Annual General Meeting of the Company, to answer the queries of the shareholders.

Compliance Report on Corporate Governance (Contd.)

During the year under review, six (6) meetings of the Audit Committee were conducted. The meetings were held on May 09, 2023, May 18, 2023, July 17, 2023, two meetings held on October 17, 2023, and January 23, 2024.

The composition, name of the members, chairperson, and attendance of the members during the year are as follows:

| Sl. no. | Name of the Member | Category of Directorship | Number of meetings attended during FY 2023-24 |
|---------|--|--|---|
| 1. | Mrs. Shyamala Gopinath, Chairperson | Non-Executive Independent Director | 5 |
| 2. | Mr. Sudhakar Rao | Non-Executive Independent Director | 6 |
| 3. | Mr. Ankur Verma | Non-Executive Non-Independent Director | 6 |
| 4. | Prof. Anurag Kumar* (w.e.f. July 17, 2023) | Non-Executive Independent Director | 4 |

*Prof. Anurag Kumar has been inducted as a member of the Audit Committee with effect from July 17, 2023.

The quorum as required under Regulation 18(2) of the Listing Regulations was maintained at all the meetings.

Terms of reference / Charter of the Audit Committee

- i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- iv. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 1. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
 2. Changes, if any, in accounting policies and practices and reasons for the same.
3. Major accounting entries involving estimates based on the exercise of judgment by management.
4. Significant adjustments made in the financial statements arising out of audit findings.
5. Compliance with listing and other legal requirements relating to financial statements.
6. Disclosure of any related party transactions.
7. Qualifications in the draft audit report, if any.
- v. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- vi. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds

Compliance Report on Corporate Governance (Contd.)

- of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- vii. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
 - viii. Approval or any subsequent modification of transactions of the Company with related parties;
 - ix. Scrutiny of inter-corporate loans and investments;
 - x. Valuation of undertakings or assets of the Company, wherever it is necessary;
 - xi. Evaluation of internal financial controls and risk management systems;
 - xii. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 - xiv. Discussion with internal auditors of any significant findings and follow up there on;
 - xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
 - xvi. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 - xvii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 - xviii. To review the functioning of the Whistle Blower mechanism;
 - xix. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
 - xx. Reviewing the utilisation of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing;
 - xxi. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
 - xxii. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- Mandatory review of information by Audit Committee**
- The Audit Committee reviews the following information:
1. Management discussion and analysis of financial condition and results of operations;
 2. Statement of significant related party transactions (as defined by the Audit Committee) submitted by management;
 3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
 4. Internal audit reports relating to internal control weaknesses; and
 5. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

Compliance Report on Corporate Governance (Contd.)

6. Statement of deviations:

- a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- b) annual statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulation 32(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Audit Committee is also responsible for giving guidance and directions under the SEBI (Prohibition of Insider Trading) Regulations, 2015 and to review the report of the Compliance Officer with the provisions of these regulations at least once in a financial year and verify that the systems for internal control are adequate and are operating effectively.

Internal Audit

The Audit Committee reviewed the reports of the internal auditors including the external internal Auditors, the reports of the statutory auditors arising out of the quarterly, half-yearly, and annual audit of the accounts; considered significant financial issues affecting the Company and held discussions with the internal and statutory auditors and the Company Management during the year.

The minutes of the meetings of the Committee are placed before and noted by the Board. During the year, all recommendations of the Audit Committee, as mandatorily required, were accepted by the Board.

Related Party Transactions

As a part of the mandate under the Listing Regulations and the terms of reference, the Audit Committee undertakes quarterly review of related party transactions entered by the Company with its related parties. Pursuant to

Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013, the Audit Committee has granted omnibus approval in respect of transactions which are repetitive in nature, which may or may not be foreseen, not exceeding the limits specified thereunder. The transactions under the purview of omnibus approval are reviewed on quarterly basis by the Audit Committee. The details of Related Party Transactions during FY 2023-24 including the details regarding approval granted for material related party transactions are provided in the Director's Report segment of the Integrated Annual Report.

Pursuant to Regulation 23 of the Listing Regulations, only the Independent Directors of the Committee participate and vote in respect of related party transactions.

Further, the Company has formulated and adopted a policy on dealing with related party transactions, in line with Regulation 23 of the Listing Regulations, which is available on the website of the Company at <https://www.tataelxsi.com/investors/policies-and-disclosures>.

4. NOMINATION AND REMUNERATION COMMITTEE

In accordance with the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations, the Company has formed its Nomination and Remuneration Committee (NRC). The NRC also acts as a Compensation Committee as required under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

The Nomination & Remuneration Committee comprise of three (3) Members, out of whom two (2) Members are Independent Directors. Mrs. Shyamala Gopinath, Independent Director is the Chairperson of the Committee, in compliance with Regulation 19 of the Listing Regulations.

During the financial year 2023-24, One (1) meeting of the Committee was conducted on May 18, 2023.

Compliance Report on Corporate Governance (Contd.)

The composition, name of the members, chairperson, and attendance of the members during the financial year are as follows:

| Sl. no. | Name of the Member | Category of Directorship | Number of meetings attended during FY 2023-24 |
|---------|-------------------------------------|--|---|
| 1. | Mrs. Shyamala Gopinath, Chairperson | Non-Executive Independent Director | 1 |
| 2. | Mr. N.G.Subramaniam | Non-Executive Non-Independent Director | 1 |
| 3. | Mr. Sudhakar Rao | Non-Executive Independent Director | 1 |

The quorum as required under Regulation 19(2A) of the Listing Regulations was maintained at all the meetings.

Terms of reference

The terms of reference of the Nomination and Remuneration Committee are as under:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
5. Board composition and succession planning, evaluation of every Director.
6. To recommend remuneration policy for the directors, KMP, executives and other employees of the Company.
7. To oversee familiarisation programme for Directors, review of HR strategy, philosophy and practices and any other activities related to change as requested by the Board from time to time.
8. Oversee the implementation of the share-based employee benefits scheme by whatever name called as per SEBI (Share

Based Employee Benefits and Sweat Equity) Regulations, 2021, within the terms and conditions of the said Plan(s); and perform the function of overall superintendence of the scheme(s).

9. To review the Company's share-based incentive-based plans and recommend changes as necessary, oversee administration of these plans, grant incentives to eligible employees, in consultation with management, and allot shares when options are exercised;
10. Any other matter as deemed necessary or incidental for the purpose of administration of the share based incentive Scheme

The Board has also adopted a charter for the Nomination and Remuneration Committee covering its rights, roles and responsibilities.

Remuneration Policy:

Based on the recommendation of NRC, the Board has formulated a comprehensive Remuneration Policy for its Directors, Key Managerial Personnel (KMPs), Senior Management, and other employees. The philosophy behind this policy is to create a culture of leadership and trust. This policy is in accordance with Section 178 of the Act and Regulation 19 of Listing Regulations and is available on the Company's website at <https://www.tataelxsi.com/investors/policies-and-disclosures>.

Compliance Report on Corporate Governance (Contd.)

Under this policy, the Managing Director, KMPs, other Senior Management personnel and all employees are compensated with a fixed salary that includes basic pay, allowances, perquisites, and other benefits. They may also receive annual incentive remuneration, performance-linked incentive, performance-based shares/units, based on specific performance criteria and other appropriate parameters determined by the NRC and the Board. The performance-linked incentive is dependent on the outcome of the performance appraisal process and the Company's overall performance.

The Company's remuneration policy takes into account various factors, including the Company's performance throughout the year, and achievement of budgeted targets, growth & diversification, remuneration in other companies of comparable size and complexity, etc.

Remuneration for Independent Directors and Non-Independent, Non-Executive Directors:

Sitting Fees: The Non-Executive Directors, and Independent Directors, are paid sitting fees for attending the meetings of the Board and Committees of the Board. The Company pays a sitting fee of ₹ 40,000 per meeting per Director for attending meetings of the Board and Committee.

Profit-related Commission: Within the ceiling as prescribed under the Act, the Non-Executive Independent Directors are paid a commission, the amount whereof is recommended by the NRC and approved by the Board. The basis of determining the specific amount of commission payable to a Non-Executive Director is related to his attendance at meetings, role and responsibility as Chairman or member of the Board / Committees and overall contribution as well as time spent on operational matters other than at the meetings.

The shareholders of the Company had approved payment of commission to the Non-Executive Directors at the Thirty-second Annual General Meeting held on June 25, 2021 for each financial year to be distributed among the Directors in such manner as the Board of Directors may, from time to time, determined within the overall maximum limit of 1% (one percent) per annum or such other Percentage as may be specified by the Act, from time to time. No Stock option has been granted to any Non-Executive Director.

The criteria for making payments to Non-Executive Directors forms part of the NRC Charter which is available on the website of our Company at <https://www.tataelxsi.com/investors/policies-and-disclosures>.

Other than sitting fees and commission paid to the Independent Directors on the net profits of the Company, no other remuneration is paid/ payable to the Non- Executive Directors for FY 2023-24.

During the year, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission, and reimbursement of expenses incurred by them for the purpose of attending meetings of the Company.

Performance Evaluation Criteria for Independent Directors

The Nomination and Remuneration Committee establishes the criteria for evaluating the performance of Independent Directors. The assessment covers various factors, such as the director's level of participation and contribution, commitment, effective utilisation of knowledge and expertise, integrity, maintenance of confidentiality, as well as independence in behaviour and decision making.

Compliance Report on Corporate Governance (Contd.)

Details of remuneration paid/payable for the financial year ended March 31, 2024**Non-Executive Directors (NEDs):**

(in ₹)

| Sl. no. | Name of the Directors | Sitting fees | Commission* |
|---------|----------------------------------|--------------|-------------|
| 1. | Mr. N.G.Subramaniam [#] | 3,60,000 | - |
| 2. | Mrs. Shyamala Gopinath | 4,80,000 | 2,26,00,000 |
| 3. | Mr. Sudhakar Rao | 6,40,000 | 2,10,00,000 |
| 4. | Prof. Anurag Kumar | 6,00,000 | 1,74,00,000 |
| 5. | Mr. Ankur Verma [#] | 4,40,000 | - |

*The Commission for FY 2023-24 shall be paid subject to the approval of the annual audited accounts by the shareholders at the 35th Annual General Meeting.

[#]In line with the internal guidelines of the Company, no payment is made towards commission to the Non-Executive Directors of the Company, who are in employment with any other Company in the Tata Group. Accordingly, no commission is paid to Mr. N.G.Subramaniam and Mr. Ankur Verma since they are full-time employees of Tata Consultancy Services Limited and Tata Sons Pvt. Ltd respectively.

Managing Director (MD):

| Component | ₹ lakhs |
|--|---------|
| Salary | 228.19 |
| Commission | 600.00 |
| Benefits Perquisites and allowances | 96.83 |
| Performance Stock Options granted (Nos.) | 750 |

The services of the Managing Director may be terminated by either party, giving the other party six months' notice or the Company paying six months' salary in lieu thereof. There is no separate provision for payment of severance pay.

The Board on the recommendation of the Nomination & Remuneration Committee adopted the Remuneration policy for Directors, Key Managerial Personnel (KMP) and other employees of the Company. The Board has also adopted a policy on Board diversity. The said policies are available at the website of the Company at <https://www.tataelxsi.com/investors/policies-and-disclosures>.

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The constitution and composition of Stakeholders' Relationship Committee is in conformation with the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Stakeholders' Relationship Committee comprises of three (3) Members, out of whom two (2) Members are Independent Directors.

During the 2023-24, two (2) meetings of the Committee were held on May 09, 2023 & October 16, 2023. The necessary quorum was present for each of the meetings.

Compliance Report on Corporate Governance (Contd.)

The composition, name of the members, chairman, particulars of the Meetings and attendance of the members during the year are as follows:

| Sl. no. | Name of the Member | Category of Directorship | Number of meetings attended during FY 2023-24 |
|---------|----------------------------|------------------------------------|---|
| 1. | Mr. Sudhakar Rao, Chairman | Non-Executive Independent Director | 2 |
| 2. | Prof. Anurag Kumar | Non-Executive Independent Director | 2 |
| 3. | Mr. Manoj Raghavan | Managing Director | 2 |

Terms of reference of the Committee:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
5. Oversight of the implementation of the ESG initiatives.
6. Approval of all relevant policies under ESG;
7. Any other terms that may be assigned by the Board time to time.

Name and Designation of Compliance Officer

| | | |
|------------------------|--|--|
| Name | Ms. Cauveri Sriram | |
| Designation | Company Secretary and Compliance Officer | |
| Contact details | Address | ITPB Road, Whitefield, Bengaluru - 560048. |
| | Phone | +91-80-22979316 |
| | E-mail | investors@tataelxsi.com |

Number of investor complaints received and redressed during 2023-24:

| Opening Balance | Received during the year | Resolved during the year | Closing balance as on March 31, 2024 |
|-----------------|--------------------------|--------------------------|--------------------------------------|
| 3 | 94 | 90 | 7 |

Registrar and Share Transfer Agent ('RTA')

Pursuant to Regulation 7 of the SEBI Listing Regulations, the Company has engaged the services of M/s. Link Intime India Private Limited (erstwhile known as M/s. TSR Consultants Private Limited) for the

Compliance Report on Corporate Governance (Contd.)

purpose of share transfer facility and of dealing and processing investor services requests. The contact details of the RTA are given below:

| | | |
|------------------------|--|--|
| Name | M/s. Link Intime India Private Limited | |
| Contact details | Address | C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai - 400 083. |
| | Phone | +91 8108118484 |
| | Fax | +91 22 6656 8494 |
| | E-mail | csg-unit@tcplindia.co.in |
| | Web address | https://linkintime.co.in/ |

Collection centres of Registrar & Transfer Agent:

| | |
|--|---|
| Mumbai: Link Intime India Private Limited Building 17/19, Office No. 415 Rex Chambers, Ballard Estate, Walchand Hirachand Marg, Fort, Mumbai-400 001 Tel: +91-7304874606 | Bangalore: Link Intime India Private Limited C/o. Mr. D. Nagendra Rao “Vaghdevi” 543/A, 7th Main 3rd Cross, Hanumanthnagar Bengaluru - 560019 Tel: +91-80-26509004 |
| New Delhi: Link Intime India Private Limited Noble Heights, 1st Floor Plot No NH-2, C-1 Block, LSC Near Savitri Market, Janakpuri New Delhi - 110058 Tel: +91-11-49411000 | Kolkata: Link Intime India Private Limited Vaishno Chamber, Flat No. 502 & 503 5th Floor, 6, Brabourne Road Kolkata - 700001 Tel: +91-33-40081986 |
| Jamshedpur: Link Intime India Private Limited Qtr. No. L-4/5, Main Road, Bistupur (Beside Chappan - Bhog Sweet Shop) Jamshedpur - 831001 Tel: +91-657-2426937 | Ahmedabad: Link Intime India Private Limited Amarnath Business Centre-1 (ABC-1) Beside Gala Business Centre Nr. St. Xavier's College Corner Off. C.G. Road, Ellisbridge Ahmedabad - 380006 Tel: +91-79-26465179 |

Transfer of Unclaimed / Unpaid Amounts to the Investor Education and Protection Fund:

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (“IEPF Rules”), dividends, if not claimed for a consecutive period of seven (7) years from the date of transfer to Unpaid Dividend Account of the Company, is liable to be transferred to the Investor Education and Protection Fund (“IEPF”).

Compliance Report on Corporate Governance (Contd.)

Further, all the shares in respect of which dividend has remained unclaimed for seven (7) consecutive years or more from the date of transfer to unpaid dividend account, shall also be transferred to IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of shares. In the interest of the shareholders, the Company sends periodical reminders to the shareholders to claim their dividends in order to avoid transfer of dividends / shares to IEPF Authority. Notices in this regard are also published in newspapers and details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company's website at www.tataelxsi.com/investors.

In light of the aforesaid provisions, the Company has during the year under review, transferred to IEPF the unclaimed dividends, outstanding for seven (7) consecutive years. Further, shares of the Company, in respect of which dividend has not been claimed for seven (7) consecutive years or more from the date of transfer to unpaid dividend account, have also been transferred to the demat account of IEPF Authority.

The details of unclaimed dividends and shares transferred to IEPF during FY 2023-24 are as follows:

| Financial year | Amount of unclaimed dividend transferred (₹) | Number of shares transferred |
|----------------|--|------------------------------|
| 2015-16 | 84,08,162 | 21,650 |

Members who have a claim on the above-mentioned dividend and shares may claim the same from the IEPF Authority by sending the request letter along with the requisite documents to Link Intime India Private Limited and thereafter file an online application in the prescribed e-Form IEPF-5 upon receiving the entitlement letter from the Company. The e-Form IEPF-5 is available on the website of the IEPF Authority www.iepf.gov.in. No claims shall lie against the Company in respect of the dividend / shares so transferred. Members / claimants can file only one consolidated claim in a financial year as per the IEPF Rules.

The following table gives information relating to various outstanding dividends and the dates by the same are due to be transferred to IEPF:

| Financial year | Date of declaration | Due date of transfer to IEPF |
|----------------|---------------------|------------------------------|
| 2016-17 | July 27, 2017 | August 26, 2024 |
| 2017-18 | July 25, 2018 | August 24, 2025 |
| 2018-19 | July 17, 2019 | August 16, 2026 |
| 2019-20 | July 21, 2020 | August 20, 2027 |
| 2020-21 | June 25, 2021 | July 25, 2028 |
| 2021-22 | June 23, 2022 | July 23, 2029 |
| 2022-23 | July 04, 2023 | August 03, 2030 |

6. RISK MANAGEMENT COMMITTEE

The Risk Management Committee comprises of three (3) Members, out of whom two (2) Members form part of the Board of Directors of the Company. The constitution of Risk Management Committee is in conformation with the requirements of Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Risk Management Committee is responsible to provide oversight in achieving the Company's Enterprise Risk Management (ERM) objectives. The ERM helps these objectives

Compliance Report on Corporate Governance (Contd.)

by creating a comprehensive approach to anticipate, identify, prioritise and manage material risks attached to the Company's operations. The primary responsibility of the Committee is to ensure that sound policies, procedures and practices are in place for the enterprise-wide management of the Company's material risks and to report the results of the Committee's activities to the Company's Audit Committee.

During the 2023-24, three (3) meetings of the Committee were conducted. The meetings were held on August 17, 2023, October 16, 2023 and February 06, 2024. The necessary quorum was present for each of the meetings.

The composition, name of the members, chairperson, particulars of the Meeting and attendance of the members during the year are as follows:

| Sl. no. | Name of the Member | Category of Directorship | Number of meetings attended during FY 2023-24 |
|---------|------------------------------|---|---|
| 1. | Prof. Anurag Kumar, Chairman | Non-Executive Independent Director | 3 |
| 2. | Mr. N.G.Subramaniam | Non- Executive Non-Independent Director | 3 |
| 3. | Mr. Gaurav Bajaj | Chief Financial Officer | 3 |

Terms of reference

1. Provide ongoing guidance and support for the refinement of the overall risk management.
2. Ensure that management understands and accepts its responsibility for identifying, assessing and managing risk.
3. Determine which enterprise risks are most significant.
4. Assign risk owners and approve action plans.
5. Approve company-wide Risk Assessment & Risk Profile.
6. Update the leadership team from time to time on the on-going ERM progress/changes.
7. Review & report to the Company's Audit Committee/Board.
8. Review and monitor Cyber security measures.

7. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

In accordance with provisions of Section 135 of the Companies Act, 2013, the Board has formed the Corporate Social Responsibility (CSR) Committee. The constitution of CSR Committee is in conformation with the requirements of the Act and during the 2023-24, two (2) meetings of the Committee were conducted on May 09, 2023, and October 27, 2023. The necessary quorum was present for each of the meetings.

The composition, name of the members, chairperson, particulars of the Meeting and attendance of the members during the year are as follows:

| Sl. no. | Name of the Member | Category of Directorship | Number of meetings attended during FY 2023-24 |
|---------|----------------------------|------------------------------------|---|
| 1. | Mr. Sudhakar Rao, Chairman | Non-Executive Independent Director | 2 |
| 2. | Mrs. Shyamala Gopinath | Non-Executive Independent Director | 2 |
| 3. | Mr. Manoj Raghavan | Managing Director | 2 |

Compliance Report on Corporate Governance (Contd.)

Terms of reference

- Formulate the CSR Annual Action plan for every financial year;
- Recommend and review the CSR expenditure to be incurred in respect of each financial year;
- Recommend and oversee the implementation of CSR projects through the Annual Action Plan and the CSR Policy;
- Monitor the CSR expenditure for each financial year; and
- Formulation of CSR Policy and recommending changes, if any, to be adopted

The Company has formulated a Corporate Social Responsibility Policy in line with the requirements under Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014 (as

amended), pursuant to which the CSR activities are implemented and monitored. The Policy is available on the website of the Company at <https://www.tataelxsi.com/investors/policies-and-disclosures>.

8. ETHICS COMMITTEE

The Company has constituted an Ethics Committee comprising of the Board Members. The Committee comprise of Prof. Anurag Kumar as the Chairman and Mr. Manoj Raghavan as its other Member. During the 2023-24, one (1) meeting of the Committee was conducted. The meeting was conducted on October 16, 2023 wherein both the Members attended the meeting.

The Board has also constituted an Executive Committee. The terms of reference of Executive committee are to review the capital expenditure, long term strategy, long term financial projections and cash flow.

9. GENERAL BODY MEETINGS

Details of last three Annual General Meetings:

The date, time, location and details of special resolution(s) passed in the last three (3) Annual General Meetings of Tata Elxsi Limited is tabulated hereinbelow:

| Financial Year | Date and time of the AGM | Venue of the AGM | Special Resolutions passed in the AGM |
|----------------|--------------------------|---|---|
| 2022-23 | July 04, 2023 | Video Conference / Other Audio Visual means | No special resolutions passed. |
| 2021-22 | June 23, 2022 | | No special resolutions passed. |
| 2020-21 | June 25, 2021 | | Re-appointment of Mr. Sudhakar Rao (DIN: 00267211) as an Independent Director |

Extraordinary General Meeting:

No extraordinary general meeting of the members was held during 2023-24.

Details of special resolution passed through Postal Ballot during 2023-24:

During the 2023-24, there were no special resolutions for which approval was sought through Postal Ballot.

Compliance Report on Corporate Governance (Contd.)

10. OTHER DISCLOSURES

- There are no Related Party Transactions during the year that have potential conflict with the interests of the Company at large. Transactions entered into with related parties during the financial year were in the ordinary course of business and at arms' length basis and were approved by the Audit Committee and shareholders. Approval from the shareholders have been obtained on the Material Related Party Transactions. The details of related party transactions for the financial year 2023-24 are provided in the Directors' Report forming part of the Annual Report. Further, the Company has formulated and adopted a policy on dealing with related party transactions, in line with Regulation 23 of the Listing Regulations, which is available on the website of the Company at <https://www.tataelxsi.com/investors/policies-and-disclosures>.
- There are no instances of non-compliance by the Company during the year and no penalties, or strictures imposed on your Company by any of the Stock Exchanges or SEBI, or any statutory authority on any matter related to capital markets during the last three years;
- The guidelines/accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) and prescribed under Section 133 of the Companies Act, 2013 have been followed in the preparation of the financial statements of the Company.
- The Company has adopted a Whistle Blower Policy and has established the necessary mechanism in line with the requirements under the Companies Act, 2013, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - For employees to report concerns about unethical behaviour;
 - To establish a mechanism to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the integrity policy;
 - The disclosure reported are addressed in the manner and within the time frames prescribed in the policy;
 - To ensure that adequate safeguards are being provided to the Whistle blower against any victimisation or vindictive practices like retaliation, threat or any adverse (direct or indirect) action on their employment.

The policy also ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

No personnel/person has been denied access to the Audit Committee.
- Your Company has comprehensive guidelines on Prohibition of Insider Trading and the Company has adopted the Tata Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices along with the Policy on Leak of Unpublished Price Sensitive Information and Policy on determination of legitimate purpose, as mandated by SEBI. The policies are available at www.tataelxsi.com/investors/policies-and-disclosures
- The Company has formulated a policy on determination of materiality of event / information as required under Regulation 30 (1) of Listing Regulations, 2015, The same is available on Company's website at www.tataelxsi.com/investors/policies-and-disclosures
- The Company has complied with all mandatory requirements and has fulfilled the following discretionary requirements specified in Part E of Schedule II under

Compliance Report on Corporate Governance (Contd.)

Regulation 27 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

- a. The statutory financial statements of the Company are unqualified.
 - b. The Internal Auditors of the Company make presentations to the Audit Committee on their reports.
- Volatility of exchange rates is a risk to the Company which is mitigated by way of forex options and forward covers in terms of the Forex Policy as approved by the Board.
 - The Company has does not have any subsidiary as on March 31, 2024 and hence, there was no requirement to identify material subsidiary and formulate a policy thereof.
 - None of the Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority. A certificate in this regard from Ms. Jayashree Parthasarathy, Practicing Company Secretary is annexed to this Report.
 - The Company has paid a consolidated amount of ₹ 90.51 lakhs as total fees for all services rendered by the statutory auditor and all entities in the network firm/network entity to which the statutory auditor is part.
 - The Company has not advanced loans and advances to firms/companies in which Directors are interested.
 - The policies adopted by the Company, as mandated by law including the Dividend Distribution Policy under Regulation 43A of SEBI Listing Regulations, are disseminated on the website of the Company at <https://www.tataelxsi.com/investors/policies-and-disclosures>.

- No credit ratings were obtained during the year ended March 31, 2024.
- The Company adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and of complaints under the above Act. The reconciliation of complaints under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules framed thereunder is provided hereinbelow:
 - a. number of complaints filed during the financial year - 4
 - b. number of complaints disposed of during the financial year - 3
 - c. number of complaints pending as on end of the financial year - 1

The investigation pertaining to the pending complaint has been completed and grievance has been redressed as on the date of the Annual Report, in accordance with the Policy adopted by the Company and provisions of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013

11. MEANS OF COMMUNICATION

- The Company uses several modes for communicating with its external stakeholders, such as announcements and press releases in newspapers, circular letters and other reports to the members, posting information on its website (www.tataelxsi.com), intimation to the Stock Exchanges, responding to analyst's queries etc.

Compliance Report on Corporate Governance (Contd.)

- The quarterly, half-yearly and annual results are displayed on the Company's website www.tataelxsi.com and also disseminated through all the modes mentioned above. The quarterly results are also published in leading dailies such as Financial Express (English daily) and Sanjevani / Udayakala (vernacular daily).
- The transcripts and audio of the Company's investors/analysts conference calls are available at: <https://www.tataelxsi.com/investors>.
- The Company's Management Discussion & Analysis of the Business for the year ended March 31, 2024 forms part of the Directors' Report and is given under the section so captioned.

12. GENERAL SHAREHOLDERS INFORMATION:

| Sl. No. | Salient Items of Interest | Particulars |
|---------|----------------------------------|--|
| i. | AGM Date, Time, and Venue | Wednesday, July 10, 2024 at 11:00 a.m. (IST) through Video Conferencing (VC) or Other Audio Visual Means (OAVM) at Bangalore. |
| ii. | Financial Calender | The Company follows the financial year as prescribed under the Companies Act, 2013 that is period of 12 months starts from 1st day of April of a year and ending on the 31st day of March of the following year. |
| iii. | Dividend Payment Date | On or after the seventh day from the conclusion of the 35th Annual General Meeting. Dividends are subject to TDS. Kindly visit www.tataelxsi.com for more details. |
| iv. | Date of Book Closure | Wednesday, June 26, 2024 to Wednesday, July 10, 2024 |
| v. | Listing on Stock Exchanges | BSE Limited ('BSE') Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001, India Tel. : +91-22-22721234 Fax : +91-22-22722041 National Stock Exchange of India Limited ('NSE') Exchange Plaza Plot No.C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051, India Tel. : +91-22-26598100 Fax : +91-22-26598237 The listing fee has been paid to BSE & NSE for the financial year 2023-24. |
| vi. | Stock Code | BSE Limited: 500408 National Stock Exchange Limited: TATAELXSI |
| vii. | Registrar & Share transfer Agent | Link Intime India Private Limited, C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai - 400 083. |
| viii. | Address for correspondence | Tata Elxsi Limited ITPB Road, Whitefield, Bengaluru - 560 048 |
| ix. | CIN | L85110KA1989PLC009968 |

Compliance Report on Corporate Governance (Contd.)

| Sl. No. | Salient Items of Interest | Particulars |
|---------|--|---|
| x. | Share Transfer System | <p>Pursuant to Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), the securities of Tata Elxsi Limited held in physical mode are not transferable, effective April 01, 2019.</p> <p>Further, the Securities and Exchange Board of India vide circular bearing ref. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, has mandated that, in respect of investor services including transmission, duplicate share certificate, transposition etc., the listed entity shall issue the securities in dematerialised mode only. In compliance with the above circular, no securities in physical mode are issued by the listed entity.</p> <p>The securities, however held in dematerialised mode, are freely transferable. The transfer through demat mode takes place instantaneously between the transferor, transferee, and the Depository Participant through electronic debit/credit of the accounts involved.</p> |
| xi. | Dematerialisation of shares and liquidity | <p>As at March 31, 2024, 6,10,90,930 equity shares were held in dematerialised mode representing 98.05% of paid-up capital of the Company. The Company's equity shares are actively traded on BSE and NSE.</p> <p>Further, the entire shareholding of promoters and promoter group members are held in dematerialised mode only.</p> |
| xii. | Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity | <p>As at March 31, 2024, there are no outstanding ADR / GDR / Warrants or any convertible instruments and consequently it disclosed that there would be no impact on account of the same.</p> |
| xiii. | Plant locations | <p>In view of the nature of the Company's business viz. Information Technology (IT) Services, the Company operates from various offices in India and abroad. The details regarding presence of the Company in different geographical locations is available on the website of the Company at https://www.tataelxsi.com/contact-us.</p> |

Distribution of Shareholding as on March 31, 2024

| Range of Shares | No. of Shareholders | % of Shareholders | No. of Shares held | % of Shareholding |
|-----------------|---------------------|-------------------|--------------------|-------------------|
| 1 - 500 | 545,842 | 98.98 | 13,212,299 | 21.22 |
| 501 - 1,000 | 3,326 | 0.60 | 2,457,231 | 3.95 |
| 1001 - 2,000 | 1,220 | 0.22 | 1,845,322 | 2.96 |
| 2001 - 3,000 | 324 | 0.06 | 816,905 | 1.31 |
| 3001 - 4,000 | 167 | 0.03 | 608,026 | 0.98 |
| 4001 - 5,000 | 105 | 0.02 | 480,868 | 0.77 |
| 5001 - 10,000 | 223 | 0.04 | 1,580,882 | 2.54 |
| Over 10,000 | 264 | 0.05 | 41,274,907 | 66.27 |
| Total | 551,471 | 100 | 62,276,440 | 100 |

Compliance Report on Corporate Governance (Contd.)

Categories of Shareholding as on March 31, 2024

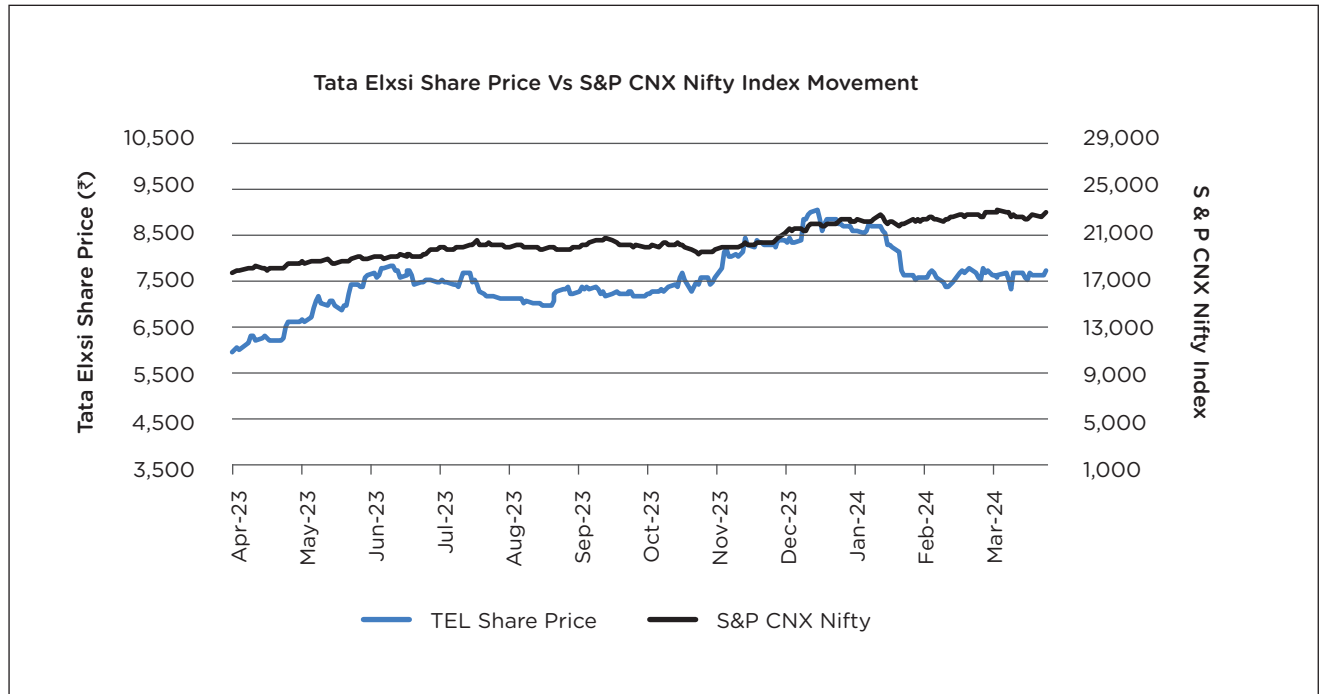
| Category | No. of shareholders | No. of shares held | % to capital |
|-----------------------|---------------------|--------------------|--------------|
| Promoter Companies | 4 | 27,348,919 | 43.92 |
| Mutual funds | 50 | 1,127,137 | 1.81 |
| FI / Banks | 6 | 10,834 | 0.02 |
| Insurance Companies | 21 | 2,432,228 | 3.91 |
| FII / FFI / FPI | 599 | 9,067,149 | 14.56 |
| NRI | 11,684 | 873,079 | 1.40 |
| Body Corporates | 1,648 | 1,453,670 | 2.33 |
| Trusts | 15 | 13,293 | 0.02 |
| Directors & relatives | 1 | 2,000 | 0.00 |
| Individuals | 537,443 | 1,994,8131 | 32.03 |
| Total | 551,471 | 62,276,440 | 100 |

The share price data of Tata Elxsi Limited during each month of FY 2023-24

| Month | BSE Limited | | | National Stock Exchange of India Limited | | |
|----------------|-------------|----------|-------------------------------|--|----------|-------------------------------|
| | High (₹) | Low (₹) | Volume (No. of shares traded) | High (₹) | Low (₹) | Volume (No. of shares traded) |
| April 2023 | 6,687.00 | 5,976.05 | 166197 | 6,687.00 | 5,975.25 | 2265951 |
| May 2023 | 7,625.00 | 6,559.00 | 407001 | 7,619.95 | 6,555.70 | 5473606 |
| June 2023 | 7,950.00 | 7,450.00 | 266496 | 7,947.00 | 7,450.10 | 3575008 |
| July 2023 | 7,849.95 | 7,145.00 | 244233 | 7,846.50 | 7,140.00 | 3059955 |
| August 2023 | 7,421.00 | 6,990.05 | 215190 | 7,424.00 | 6,992.05 | 2189429 |
| September 2023 | 7,463.95 | 7,195.80 | 146247 | 7,465.00 | 7,201.05 | 1637274 |
| October 2023 | 7,759.95 | 7,170.05 | 213250 | 7,758.90 | 7,172.00 | 2745003 |
| November 2023 | 8,576.25 | 7,415.00 | 191507 | 8,576.05 | 7,413.70 | 3473879 |
| December 2023 | 9,191.10 | 8,300.00 | 305597 | 9,200.00 | 8,300.00 | 3357223 |
| January 2024 | 8,948.40 | 7,565.00 | 191035 | 8,949.00 | 7,564.20 | 2379345 |
| February 2024 | 7,988.30 | 7,350.00 | 165954 | 7,995.00 | 7,350.00 | 2340421 |
| March 2024 | 7,991.75 | 7,340.00 | 163562 | 7,993.20 | 7,335.00 | 2625493 |

Compliance Report on Corporate Governance (Contd.)

Comparative performance against other indices



Declaration regarding compliance with code of conduct

The Company has adopted a Code of Conduct for all its employees, including the Managing Director and senior management. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors, both these codes are available on the Company's website (www.tataelxsi.com).

I hereby confirm that all the Board members and senior management personnel have affirmed compliance with the Code of Conduct applicable to them in respect of the year ended March 31, 2024.

Place: Bangalore

Date: April 23, 2024

Manoj Raghavan
Managing Director & CEO

Independent Auditors' Certificate on Compliance with the Corporate Governance Requirements

UNDER SEBI (Listing Obligations and Disclosure Requirements) REGULATIONS, 2015

TO THE MEMBERS OF TATA ELXSI LIMITED

1. This certificate is issued in accordance with the terms of our engagement letter dated June 26, 2020.
2. We have examined the compliance of conditions of Corporate Governance by **Tata Elxsi Limited** ("the Company"), for the year ended March 31, 2024, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

Management's Responsibility

3. The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

Auditors' Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended March 31, 2024.
6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance

both issued by the Institute of the Chartered Accountants of India (the "ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

10. The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

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

Chartered Accountants

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

Sanjay Sharma

Partner

Place: Bengaluru

Date: April 23, 2024

Membership No: 063980

UDIN:

Financial Statements & Auditor's Report



Independent Auditor's Report

To the Members of Tata Elxsi Limited Report on the Audit of the Financial Statements

OPINION

We have audited the financial statements of **Tata Elxsi Limited** (the "Company") which comprise the balance sheet as at 31 March 2024, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements 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 on the financial statements.

KEY AUDIT MATTER

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| The key audit matter | How the matter was addressed in our audit |
|---|--|
| <p>Amount of revenue recognition in respect of fixed price contracts (Refer Note 2.4 to the financial statements)</p> <p>The Company engages in fixed price contracts, with its customers where, revenue from such contract is recognized based on percentage of completion. This involves computation of actual cost incurred and estimation of total cost on each contract to measure progress towards completion (the input method).</p> <p>Amount of revenue recognition in respect of fixed price contracts has been identified as a Key Audit Matter considering that:</p> <ul style="list-style-type: none"> these contracts involve identification of actual cost incurred on each contract including allocation and apportionment; | <p>In view of its significance, we applied the following audit procedures in this matter, among others to obtain sufficient appropriate audit evidence:</p> <p>(a) Obtaining an understanding of the IT systems, processes and controls implemented by the Company with respect to recognition of actual cost incurred on each contract (including allocation and apportionment), estimation of future cost to completion, estimation of provision for onerous contract, measurement of unbilled revenue, unearned revenue and the total contract revenue on its completion.</p> |

Independent Auditor's Report (Contd.)

| The key audit matter | How the matter was addressed in our audit |
|---|---|
| <ul style="list-style-type: none"> these contracts require estimation of future cost-to completion of each contract as well as critical estimates to make provision for onerous contract; at year-end, a significant amount of contract assets (unbilled revenue) and contract liabilities (unearned revenue) related to each contract is to be identified. | <p>(b) Involving Information technology ('IT') specialists to assess the design and operating effectiveness of key IT controls relating to revenue recognition and in particular:</p> <ul style="list-style-type: none"> IT environment in which the business systems operate, including access controls, program change controls, program development controls and IT operation controls; Access and application controls pertaining to time recording and allocation systems which prevent unauthorised changes to recording of costs and revenue. <p>(c) For selected samples of fixed contracts, -</p> <ul style="list-style-type: none"> Evaluated the contractual terms to identify the performance obligation and assessed the basis of revenue recognition; Checked the approval for estimates of cost to completion by authorised personnel of the Company; Carried out a retrospective assessment of costs incurred with estimated costs to identify any significant variation and checked whether those variations have been considered in estimating the remaining costs to complete the contract; Verified the contract assets and contract liabilities on balance sheet by evaluating the underlying documentation to identify possible delays in achieving milestones which require change in estimated costs to complete the remaining performance obligations; and Checked journal entries impacting the revenue recognition for the period selected based on specified risk-based criteria. <p>(d) Checked the adequacy of provision in respect of onerous contracts.</p> |

Independent Auditor's Report (Contd.)

OTHER INFORMATION

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S AND BOARD OF DIRECTORS RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive Loss, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and 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 STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements 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 statements.

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 statements, 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,

Independent Auditor's Report (Contd.)

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. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures 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 in preparation of financial statements 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 statements 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 statements, including the disclosures, and whether the financial statements 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

Independent Auditor's Report (Contd.)

- c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. the reservation relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3) (b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its financial statements - Refer Note 33 to the financial statements.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - d. (i) The management has represented that, to the best of it's knowledge and belief, as disclosed in the Note 44 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented that, to the best of it's knowledge and belief, as disclosed in the Note 44 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or

Independent Auditor's Report (Contd.)

indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The final dividend paid by the Company during the year, which was declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.
As stated in Note 45 to the financial statements, the Board of Directors of the Company has proposed final dividend for the current year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
- f. Based on our examination, the Company has used two accounting softwares for maintaining its books of account i.e. general ledger and payroll records. In the absence of reporting

on compliance with the audit trail requirements at service organisation for such accounting softwares in the Service Organisation Control (SOC) report, we are unable to comment whether audit trail feature of the said softwares was enabled and operated throughout the year for all relevant transactions recorded in the respective softwares or whether there were any instances of the audit trail feature being tampered with.

- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Chartered Accountants

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

Sanjay Sharma

Partner

Place: Bengaluru

Membership No.: 063980

Date: 23 April 2024 ICAI UDIN:24063980BKFGHI2320

Annexure A to the Independent Auditor's Report on the Financial Statements of Tata Elxsi Limited for the year ended March 31, 2024

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of two years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies are noted.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security to companies, firms, limited liability partnerships or any other parties during the year. The Company has granted loans to other parties. The Company has not granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year.
- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans as below:

Annexure A to the Independent Auditor's Report on the Financial Statements of Tata Elxsi Limited for the year ended March 31, 2024 (Contd.)

| Particulars | Loans (₹ Lakhs) |
|---|--------------------|
| Aggregate amount provided during the year Others * | 457.03 |
| Balance outstanding as at balance sheet date Others * | 302.45 |

*As per the Companies Act, 2013

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the loans granted during the year are, prima facie, not prejudicial to the interest of the Company. The Company has not made any investments, provided advances in the nature of loans, or stood guarantee, or provided security to any other entity.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

- (iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any loans, guarantee or security as specified under Section 186 of the Companies Act, 2013. Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to investments made.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Value added tax and Sales tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory

Annexure A to the Independent Auditor's Report on the Financial Statements of Tata Elxsi Limited for the year ended March 31, 2024 (Contd.)

dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and

Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

| Name of the statute | Nature of the dues | Amount (₹ Lakhs)* | Period to which the amount relates (FY) | Forum where dispute is pending |
|--------------------------|--------------------|-------------------|---|--|
| The Income Tax Act, 1961 | Income Tax | 67.29 | 2008-09 | Commissioner of Income tax (Appeals)-Bengaluru |
| The Income Tax Act, 1961 | Income Tax | 33.49 | 2015-16 | Assessing Officer, Bengaluru |
| The Income Tax Act, 1961 | Income Tax | 976.26 | 2016-17 | Assessing Officer, Bengaluru |
| The Income Tax Act, 1961 | Income Tax | 179.62 | 2017-18 | Assessing Officer, Bengaluru |
| The Income Tax Act, 1961 | Income Tax | 783.35 | 2019-20 | Assessing Officer, Bengaluru |
| The Income Tax Act, 1961 | Income Tax | 2,543.88 | 2020-21 | Commissioner of Income tax (Appeals)-Bengaluru |

*These amounts are net of amount paid/adjusted under protest ₹ 1,161.72 lakhs.

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on

Annexure A to the Independent Auditor's Report on the Financial Statements of Tata Elxsi Limited for the year ended March 31, 2024 (Contd.)

short-term basis have been used for long-term purposes by the Company.

- (e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(e) is not applicable.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company does not have any subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the

Company during the year while determining the nature, timing and extent of our audit procedures.

- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi) (a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi) (b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

Annexure A to the Independent Auditor's Report on the Financial Statements of Tata Elxsi Limited for the year ended March 31, 2024 (Contd.)

- (d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has five CICs as part of the Group
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.
- (b) The Company has not transferred the amount remaining unspent in respect of ongoing projects, to a Special Account till the date of our report. However, the time period for such transfer i.e. thirty days from the end of the financial year as permitted under the sub-section (6) of Section 135 of the Act, has not elapsed till the date of our report.

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

Chartered Accountants

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

Sanjay Sharma

Partner

Place: Bengaluru

Membership No.: 063980

Date: 23 April 2024 ICAI UDIN:24063980BKFGHI2320

Annexure B to the Independent Auditor's Report on the financial statements of Tata Elxsi Limited for the year ended March 31, 2024

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE AFORESAID FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT

(Referred to in paragraph 2(A)(h) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

OPINION

We have audited the internal financial controls with reference to financial statements of Tata Elxsi Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business,

including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Annexure B to the Independent Auditor's Report on the financial statements of Tata Elxsi Limited for the year ended March 31, 2024 (Contd.)

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Sanjay Sharma
Partner

Place: Bengaluru Membership No.: 063980
Date: 23 April 2024 ICAI UDIN:24063980BKFGHI2320

Balance Sheet

As at March 31, 2024

| | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|----------|----------------------|----------------------|
| ₹ lakhs | | | |
| ASSETS | | | |
| Non-current assets | | | |
| (a) Property, plant and equipment | 3 (i) | 19,225.50 | 15,973.36 |
| (b) Capital work-in-progress | 3 (ia) | 215.43 | 697.93 |
| (c) Right of use assets | 32 | 19,028.05 | 15,765.88 |
| (d) Intangible assets | 3 (ii) | 1,344.12 | 1,620.20 |
| (e) Financial assets | | | |
| (i) Investments* | 4 | - | - |
| (ii) Other financial assets | 6 (i) | 19,431.59 | 6,845.28 |
| (f) Deferred tax assets (net) | 7 | 2,386.90 | 1,288.83 |
| (g) Other non-current assets | 8 (i) | 155.31 | 85.82 |
| (h) Tax assets (net) | 9 | 3,239.18 | 2,724.00 |
| Total non-current assets | | 65,026.08 | 45,001.30 |
| Current assets | | | |
| (a) Inventories | 10 | 110.71 | 38.62 |
| (b) Financial assets | | | |
| (i) Trade receivables | | | |
| Billed | 11 | 82,774.70 | 85,665.90 |
| Unbilled | | 14,384.14 | 11,971.65 |
| (ii) Cash and cash equivalents | 12 | 13,324.29 | 13,389.17 |
| (iii) Bank balances other than cash and cash equivalents | 13 | 1,22,385.84 | 1,05,766.12 |
| (iv) Loans receivable | 5 | 302.45 | 181.43 |
| (v) Other financial assets | 6 (ii) | 5,373.59 | 4,565.28 |
| (c) Other current assets | 8 (ii) | 15,016.36 | 9,770.79 |
| Total current assets | | 2,53,672.08 | 2,31,348.96 |
| TOTAL ASSETS | | 3,18,698.16 | 2,76,350.26 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity share capital | 14 | 6,227.64 | 6,227.64 |
| (b) Other equity | 15 | 2,44,337.99 | 2,02,349.07 |
| Total equity | | 2,50,565.63 | 2,08,576.71 |
| Liabilities | | | |
| Non-current liabilities | | | |
| (a) Financial liabilities | | | |
| Lease liabilities | | 18,118.90 | 15,372.68 |
| (b) Provisions | 16 (i) | 5,419.99 | 4,545.32 |
| Total non-current liabilities | | 23,538.89 | 19,918.00 |
| Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Lease liabilities | | 4,279.24 | 2,853.72 |
| (ii) Trade payables | 17 | | |
| a) Dues of micro, small and medium enterprises | | 414.53 | 3.16 |
| b) Dues of creditors other than micro, small and medium enterprises | | 8,149.37 | 10,313.87 |
| (iii) Other financial liabilities | 18 | 10,352.34 | 12,268.91 |
| (b) Other current liabilities | 20 | 12,081.43 | 15,307.04 |
| (c) Provisions | 16 (ii) | 3,846.27 | 2,559.73 |
| (d) Current tax liabilities (net) | 19 | 5,470.46 | 4,549.12 |
| Total current liabilities | | 44,593.64 | 47,855.55 |
| TOTAL EQUITY AND LIABILITIES | | 3,18,698.16 | 2,76,350.26 |

* value is less than a lakh

1 - 45

See accompanying notes to the financial statements

As per our report of even date attached

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

Chartered Accountants

Firm Registration No.: 101248W/W-100022

Sanjay Sharma

Partner

Membership No.: 063980

Bengaluru, April 23, 2024

for and on behalf of the Board

N G Subramaniam

Chairman

DIN: 07006215

Gaurav Bajaj

Chief Financial Officer

Bengaluru, April 23, 2024

Manoj Raghavan

Managing Director

DIN: 08458315

Cauveri Sriram

Company Secretary

Statement of Profit and Loss

For the year ended March 31, 2024

₹ lakhs

| | Note No. | Year to date ended March 31, 2024 | Year to date ended March 31, 2023 |
|---|----------|-----------------------------------|-----------------------------------|
| Revenue from operations | 21 | 3,55,214.57 | 3,14,472.25 |
| Other income (net) | 22 | 12,195.18 | 7,381.01 |
| Total income | | 3,67,409.75 | 3,21,853.26 |
| EXPENSES | | | |
| Cost of materials consumed | 23 | 19,406.57 | 18,611.59 |
| Changes in inventories of stock-in-trade | 24 | (72.09) | 18.13 |
| Employee benefits expense | 25 | 1,90,959.56 | 1,59,777.49 |
| Finance costs | | 2,026.07 | 1,619.86 |
| Depreciation and amortisation expense | 3 & 32 | 9,944.94 | 8,138.98 |
| Other expenses | 26 | 40,277.10 | 39,937.18 |
| Total expenses | | 2,62,542.15 | 2,28,103.23 |
| Profit before tax | | 1,04,867.60 | 93,750.03 |
| Tax expense | | | |
| (i) Current tax | | 26,206.00 | 18,319.00 |
| (ii) Deferred tax | | (562.19) | (88.29) |
| Total tax | | 25,643.81 | 18,230.71 |
| Net Profit for the year | | 79,223.79 | 75,519.32 |
| Other comprehensive income/(loss) | | | |
| (i) Items that will not be reclassified subsequently to profit or loss | | | |
| - Remeasurement of the defined benefit plans | | (1,533.54) | (869.12) |
| (ii) Income tax relating to items that will not be reclassified subsequently to profit or loss | | 535.88 | 303.71 |
| Other comprehensive loss for the year, net of income tax | | (997.66) | (565.41) |
| Total comprehensive income for the year | | 78,226.13 | 74,953.91 |
| Earnings per equity share (₹) | 29 | | |
| (a) Basic | | 127.21 | 121.26 |
| (b) Diluted | | 127.18 | 121.26 |

See accompanying notes to the financial statements

1 - 45

As per our report of even date attached

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

Chartered Accountants

Firm Registration No.: 101248W/W-100022

Sanjay Sharma

Partner

Membership No.: 063980

Bengaluru, April 23, 2024

for and on behalf of the Board

N G Subramaniam

Chairman

DIN: 07006215

Gaurav Bajaj

Chief Financial Officer

Bengaluru, April 23, 2024

Manoj Raghavan

Managing Director

DIN: 08458315

Cauveri Sriram

Company Secretary

Statements of Changes in Equity As at March 31, 2024

A. EQUITY SHARE CAPITAL

₹ lakhs

| Balance as at April 01, 2022 | Changes in equity share capital due to prior period errors | Restated balance as at April 1, 2022 | Changes in equity share capital during the year | Balance as at March 31, 2023 |
|------------------------------|--|--------------------------------------|---|------------------------------|
| 6,227.64 | - | - | - | 6,227.64 |

₹ lakhs

| Balance as at April 01, 2023 | Changes in equity share capital due to prior period errors | Restated balance as at April 1, 2023 | Changes in equity share capital during the year | Balance as at March 31, 2024 |
|------------------------------|--|--------------------------------------|---|------------------------------|
| 6,227.64 | - | - | - | 6,227.64 |

B. OTHER EQUITY

₹ lakhs

| | Reserves and surplus | | | | | Total |
|---|----------------------|--------------------|--|---|------------------------------|--------------------|
| | General reserve | Retained earnings | Remeasurement of the defined benefit plans | Special Economic Zone re-investment reserve | Share based payments reserve | |
| As at April 01, 2022 | 10,596.00 | 1,44,694.08 | (1,427.43) | - | - | 1,53,862.65 |
| Profit for the year | - | 75,519.32 | - | - | - | 75,519.32 |
| Other comprehensive income (net of tax) | - | - | (565.41) | - | - | (565.41) |
| Total | 10,596.00 | 2,20,213.40 | (1,992.84) | - | - | 2,28,816.56 |
| Dividend and dividend distribution tax thereon paid | - | (26,467.49) | - | - | - | (26,467.49) |
| Transfer of profits of the year to general reserve | 1,000.00 | (1,000.00) | - | - | - | - |
| As at March 31, 2023 | 11,596.00 | 1,92,745.91 | (1,992.84) | - | - | 2,02,349.07 |
| As at April 01, 2023 | 11,596.00 | 1,92,745.91 | (1,992.84) | - | - | 2,02,349.07 |
| Profit for the year | - | 79,223.79 | - | - | - | 79,223.79 |
| Other comprehensive income (net of tax) | - | - | (997.66) | - | - | (997.66) |
| Total | 11,596.00 | 2,71,969.70 | (2,990.50) | - | - | 2,80,575.20 |
| Dividend paid | - | (37,739.52) | - | - | - | (37,739.52) |
| Share based expenses | - | - | - | - | 1,502.31 | 1,502.31 |
| Transferred to Special Economic Zone re-investment | - | (2,533.58) | - | 2,533.58 | - | - |
| Transfer of profits of the year to general reserve | 1,000.00 | (1,000.00) | - | - | - | - |
| As at March 31, 2024 | 12,596.00 | 2,30,696.60 | (2,990.50) | 2,533.58 | 1,502.31 | 2,44,337.99 |

Statements of Changes In Equity As at March 31, 2024 (Contd.)

Nature and purpose of reserves

(i) General reserve

General reserve represents appropriation of profits. This represents a free reserve and is available for dividend distributions. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to the statement of profit and loss.

(ii) Retained earnings

This reserve represents undistributed accumulated earnings of the Company as on the balance sheet date.

(iii) Special Economic Zone re-investment reserve

The Special Economic Zone Re-investment Reserve has been created out of the profits of eligible SEZ units in accordance with the provisions of section 10AA(1)(ii) of Income Tax Act, 1961. The reserve will be utilised by the Company for acquiring new assets for the purpose of its business as per the terms of section 10AA(2) of Income-tax Act, 1961.

(iv) Share based payments reserve

Share based payments reserve is used to record the fair value of equity-settled share-based payment transactions with employees. The amounts recorded in this account are transferred to share premium upon exercise of stock options by employees.

See accompanying notes to the financial statements

1 - 45

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Sanjay Sharma
Partner
Membership No.: 063980

Bengaluru, April 23, 2024

for and on behalf of the Board

N G Subramaniam
Chairman
DIN: 07006215

Gaurav Bajaj
Chief Financial Officer

Bengaluru, April 23, 2024

Manoj Raghavan
Managing Director
DIN: 08458315

Cauveri Sriram
Company Secretary

Statement of Cash Flow For the year ended March 31, 2024

₹ lakhs

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|--|---|---|
| A. Cash flows from operating activities | | |
| Profit for the year | 79,223.79 | 75,519.32 |
| Adjustment for: | | |
| Income tax expense recognised in profit and loss | 25,643.81 | 18,230.71 |
| Depreciation and amortisation | 9,944.94 | 8,138.98 |
| Equity settled share based payment transactions | 1,502.31 | - |
| Interest income | (9,333.34) | (5,315.48) |
| Finance costs | 2,026.07 | 1,619.86 |
| Bad debts written off | - | 59.78 |
| Provision for doubtful debts | 16.67 | (106.36) |
| Net loss on sale of assets | 3.24 | 5.43 |
| Net gain on lease modification | - | (116.03) |
| Net (gain)/loss arising on financial assets measured at fair value through profit and loss | (123.80) | 219.63 |
| Net unrealised exchange loss / (gain) | 529.88 | (116.21) |
| Operating profit before working capital changes | 1,09,433.57 | 98,139.63 |
| Net change in: | | |
| Loans receivables | (121.02) | (81.29) |
| Trade receivables- Billed | 2,737.93 | (29,889.29) |
| Trade receivables- Unbilled | (2,412.49) | (60.91) |
| Other financial assets | (1,828.69) | (1,240.19) |
| Other assets | (5,254.96) | (5,485.04) |
| Inventories | (72.09) | 18.13 |
| Provisions | 621.29 | 978.42 |
| Trade payables | (1,755.24) | 1,545.58 |
| Other financial liabilities | (2,199.52) | 2,917.18 |
| Other current liabilities | (3,225.61) | 328.24 |
| Cash generated from operations | 95,923.17 | 67,170.46 |
| Income tax paid (net) | (25,799.84) | (18,484.62) |
| Net Cash generated from operating activities - (A) | 70,123.33 | 48,685.84 |
| B. Cash flows from investing activities | | |
| Purchase of property, plant and equipment and intangibles | (8,301.53) | (6,410.08) |
| Proceeds from sale of property, plant and equipment and intangibles | 1.78 | 37.73 |
| Investments in bank deposits | (1,71,500.00) | (1,05,950.00) |
| Redemption/maturity of bank deposits | 1,44,050.00 | 89,000.00 |
| Interest received | 8,735.52 | 3,131.26 |
| Net Cash used in investing activities - (B) | (27,014.23) | (20,191.09) |

Statement of Cash Flow As at March 31, 2024 (Contd.)

| | ₹ lakhs | |
|--|---|---|
| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
| C. Cash flows from financing activities | | |
| Payment of lease liability | (4,976.76) | (3,808.45) |
| Interest paid | (66.53) | (36.17) |
| Dividend paid | (37,739.52) | (26,467.49) |
| Net Cash used in financing activities - (C) | (42,782.81) | (30,312.11) |
| Net (decrease) / increase in cash and cash equivalents (A+B+C) | 326.29 | (1,817.36) |
| Cash and cash equivalents as at beginning of the year | 13,389.17 | 15,110.51 |
| Effects of exchange rate changes on the balances of cash and cash equivalents held in foreign currencies | (391.17) | 96.02 |
| Cash and cash equivalents as at end of the year (Refer note 12) | 13,324.29 | 13,389.17 |

See accompanying notes to the financial statements

1 - 45

As per our report of even date attached

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

Chartered Accountants

Firm Registration No.: 101248W/W-100022

Sanjay Sharma

Partner

Membership No.: 063980

Bengaluru, April 23, 2024

for and on behalf of the Board

N G Subramaniam

Chairman

DIN: 07006215

Gaurav Bajaj

Chief Financial Officer

Bengaluru, April 23, 2024

Manoj Raghavan

Managing Director

DIN: 08458315

Cauveri Sriram

Company Secretary

Notes forming part of the Financial Statements

A. MATERIAL ACCOUNTING POLICIES

1. Corporate information

Tata Elxsi Limited (“the Company”) is a public limited company incorporated under the provisions of the Companies Act applicable in India in the year 1989 and domiciled in India. The Company has its registered office in Bengaluru, Karnataka, India. The shares of the Company are listed on the BSE and National Stock Exchange in India.

The Company provides product design and engineering services to the consumer electronics, communications & transportation industries and systems integration and support services for enterprise customers. It also provides digital content creation for media and entertainment industry.

The Company is head quartered in Bengaluru, and operates through delivery centres in Bengaluru, Chennai, Delhi, Hyderabad, Kozhikode, Pune, Mumbai and Thiruvananthapuram.

The Company’s operations are located in multiple cities in India, and in multiple international locations including United Kingdom (UK), United States of America (USA), France, Germany, Japan, Ireland, Netherlands, South Africa, Canada, Spain, Dubai, Malaysia, Poland and Italy.

2. Basis of preparation of financial statements.

2.1 Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards (“Ind AS”), the provisions of the Companies Act, 2013 (“the Companies Act”), as applicable and guidelines issued by the Securities and Exchange Board of India (“SEBI”). The Ind AS are prescribed under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

These financial statements were authorised for issue by the Board of Directors on April 23, 2024

2.2 Basis of preparation and presentation

These financial statements have been prepared on a historical cost convention and on an accrual basis of accounting, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments
- Fair value of plan assets less present value of defined benefit obligations

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities have been classified as current and non-current as per the Company’s normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months

The statement of cash flows have been prepared under the indirect method.

All amounts included in the financial statements are reported in lakhs of Indian rupees except share and per share data, unless otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

2.3 Use of estimates and judgement

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities,

Notes forming part of the Financial Statements (Contd.)

disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Appropriate change in estimates are made as management become aware of changes in circumstances surrounding the estimates. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

The Company uses the following critical accounting estimates in preparation of its financial statements:

Revenue recognition

The Company uses the percentage of completion method using the input (cost expended) method to measure progress towards completion in respect of fixed price contracts. Percentage of completion method relies on estimates of total expected contract revenue and costs. This method is followed where reasonable dependable estimate of the revenue and costs applicable to various elements of the contract can be made. Key factors reviewed to estimate the future costs to complete include estimates of future manpower costs and productivity efficiency. These estimates are assessed continually during the term of the contracts and the recognised revenue and profit are subject to revision as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable. (Refer Note 2.4)

Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance

sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. (Refer Note 2.10)

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods. (Refer Note 2.11)

Provision for income tax and deferred tax assets

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

The Company's major tax jurisdictions are India, UK and the USA. The Company also files tax returns in other foreign jurisdictions. Significant judgment is involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions.

The Company reviews the carrying amount of deferred tax assets at the end of each

Notes forming part of the Financial Statements (Contd.)

reporting period. The policy for the same has been explained under Note 2.8.

Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements. (Refer Note 33)

Employee benefits

The accounting of employee benefit plans in the nature of defined benefit requires the Company to use assumptions. These assumptions have been explained under employee benefits note 2.13.

Cash dividend to the equity holders of the Company

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised, and the distribution is no longer at the discretion of the Company. Final dividends on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors. (Refer Note 42)

Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics. (Refer Note 2.6)

2.4 Revenue recognition

The Company earns revenue primarily from providing information technology, engineering design, systems integration and support services, sale of licenses and maintenance of equipment. The Company recognizes revenue as follows:

Notes forming part of the Financial Statements (Contd.)

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, etc.
- Revenue related to fixed price maintenance and support services contracts where the Company is ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract cost incurred determining the degree of completion of the performance obligation. The contract cost used in computing the revenues include cost of fulfilling warranty obligations.
- Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method.
- Revenue from the sale of distinct third party hardware is recognised at the point in time when control is transferred to the customer.
- The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

In accordance with Ind AS 37, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction

Notes forming part of the Financial Statements (Contd.)

price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for. The Company disaggregates revenue from contracts with customers by geography and nature of services.

Use of significant judgements in revenue recognition

- The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting

period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

- The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.
- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.
- Contract fulfilment costs are generally expensed as incurred except for certain software licence costs which meet the criteria for capitalisation. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations

Notes forming part of the Financial Statements (Contd.)

and whether costs are expected to be recovered (Refer note 8).

2.5 Other income

Interest income is accounted for using the effective interest method.

Export benefits are accounted for, in the year of exports, based on eligibility and when there is no uncertainty in receiving the same.

Foreign currency gains and losses are reported on net basis

2.6 Leases

Company as a lessee

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset;
- the Company has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the

lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable

Notes forming part of the Financial Statements (Contd.)

lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of all assets that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.7 Foreign currency

The functional currency of the Company is Indian Rupee.

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange

gains and losses arising on settlement and restatement are recognised in the statement of profit and loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not translated.

2.8 Taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current income taxes

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for that period and reflects the uncertainty related to income tax, if any. The tax rates and tax laws used to compute the amount are those that are enacted by the balance sheet date. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The current income tax expense includes income taxes payable by the Company and its branches in India and overseas. The current tax payable by the Company in India is Indian income tax payable for their worldwide income after taking credit for tax relief available for export operations in Special Economic Zones (SEZs).

Notes forming part of the Financial Statements (Contd.)

Current income tax payable by overseas branches of the Company is computed in accordance with the tax laws applicable in the jurisdiction in which the respective branch operates. The taxes paid are generally available for set off against the Indian income tax liability of the Company's worldwide income.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

For operations carried out in SEZs, deferred tax assets or liabilities, if any, have been established for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

Special Economic Zone re-investment

A portion of the profits of the Company's India operations are exempt from Indian income taxes being profits attributable to export operations from undertakings situated in SEZ. Under the Special Economic Zone Act, 2005 scheme, units in designated special economic zones providing service on or after April 01, 2005 will be eligible for a deduction of 100 % of profits or gains derived from the export of services for the first five years from commencement of provision of services and 50 % of such profits and gains for a further five years.

Notes forming part of the Financial Statements (Contd.)

The tax benefits are also available for a further five years post the initial ten years subject to the creation of SEZ Reinvestment Reserve which is required to be spent within 3 financial years in accordance with requirements of the tax regulations in India. During the nine month period, the Company has created ₹ 1,751.10 as SEZ reinvestment reserve for one its such unit which entered 11th year of operations.

2.9 Inventories

Inventory comprise of computer systems and software, components and spares.

Components and spares are valued at lower of cost and net realisable value.

Cost is determined on the basis of specific identification method.

Computer systems and software, components and spares intended for customer support are written off over the effective life of the systems maintained, as estimated by the management.

2.10 Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents

are short- term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss ("FVTPL") unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Notes forming part of the Financial Statements (Contd.)

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derivative financial instruments

The Company is exposed to foreign currency fluctuations on foreign currency assets and liabilities. The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. Derivatives are recognised and measured at fair value. Attributable transaction costs are recognised in the statement of profit and loss as expenses. Subsequent changes in fair value of such derivative instruments are recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amounts are presented in the standalone balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Derecognition**Financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

2.11 Property, plant and equipment

Property, plant and equipment are stated at costs less accumulated depreciation (other than freehold land) and impairment loss, if any.

The cost includes purchase price net of any trade discounts and rebates, any import duties and other taxes (other than

Notes forming part of the Financial Statements (Contd.)

those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

The Company identifies and determines cost of each component / part of property, plant and equipment separately, if the component/ part has a cost which is significant to the total cost of the property, plant and equipment and has useful life that is materially different from that of the remaining asset.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use. Gains or losses arising from de-recognition of property, plant and equipment and intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of property, plant and equipment and are recognised in the statement of profit and loss when the property, plant and equipment is derecognised.

Depreciation is provided for property, plant and equipment on the straight-line basis over the estimated useful life from the date

the assets are ready for intended use. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful life on a straightline basis of amortisation is mentioned below:

| Type of asset | Useful lives |
|--------------------------|--------------|
| Buildings | 30 years * |
| Plant and equipment | 6 years * |
| Computer equipment | 3 to 6 years |
| Air conditioners | 6 years * |
| Vehicles | 8 years |
| Office equipment | 5 years |
| Electrical installations | 6 years * |
| Furniture and fixtures | 6 years * |

* The Management believes that the useful lives as given below best represents the period over which the management expects to use these assets based on an internal assessment and technical evaluation where necessary. Hence, the useful lives of some of these assets is different from the useful lives as prescribed under part C of Schedule II of the Companies Act.

Leasehold improvements are depreciated over the lower of the lease term and their useful lives.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are disclosed under 'other assets'. The cost of property, plant and equipment not ready to use before the balance sheet date is disclosed under 'Capital work in progress'. Subsequent expenditures relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be

Notes forming part of the Financial Statements (Contd.)

measured reliably. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Capital work-in-progress

Amount paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work-in-progress.

The capital work- in-progress is carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.12 Intangible assets

Intangible assets purchased are measured at cost as of the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

Intangible assets are amortised on a straight line basis over their estimated useful lives from the date that they are available for use.

The estimated useful lives of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

The estimated useful life on a straightline basis of amortisation is mentioned below:

| Type of asset | Useful lives |
|-------------------|--------------|
| Computer Software | 6 years |

2.13 Employee benefits

Employee benefits include contribution to provident fund, superannuation fund, gratuity fund, compensated absences, pension and employee state insurance scheme.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined benefit plans

Gratuity and Pension are defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations, being carried out at the date of each balance sheet date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Past service cost, both vested and unvested, is recognised as an expense at the earlier of (a) when the plan amendment or curtailment occurs; and (b) when the entity recognises related restructuring costs or termination benefits.

The retirement benefit obligations recognised in the balance sheet represents

Notes forming part of the Financial Statements (Contd.)

the present value of the defined obligations reduced by the fair value of scheme assets. Any, asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company.

Defined contribution plans

Contributions to defined contribution plans like provident fund and superannuation, funds are recognised as expense when employees have rendered services entitling them to such benefits.

Compensated absences

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are stated as undiscounted liability at the balance sheet date. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are stated as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date. Actuarial gains/losses are immediately taken to the standalone statement of profit and loss.

Share based payments

The Company measures compensation cost relating to share-based payments using the fair valuation method in accordance with Ind AS 102, Share Based Payment. Compensation expense is amortised over the vesting period of the option on a graded basis. The units generally vest in a graded manner over the vesting period. The fair value determined at the grant date

is expensed over the vesting period of the respective tranches of such grants.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using the Black-Scholes valuation model. Expected volatility during the expected term of the option is based on the historical volatility of share price of the Company. Risk free interest rates are based on the government securities yield in effect at the time of the grant.

The cost of equity settled transactions is recognised, together with a corresponding increase in share-based payment reserve in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. Debit or credit in statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

The dilutive effect of outstanding options is reflected in the computation of diluted earnings per share.

2.14 Earnings per share

Basic Earnings Per Share

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted Earnings Per Share

Diluted earnings per share is computed by dividing the profit (considered in

Notes forming part of the Financial Statements (Contd.)

determination of basic earnings per share) after considering the effect of interest and other financing costs or income (net of attributable taxes) associated with dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share adjusted for the weighted average number of equity shares that would have been issued upon conversion of all dilutive potential equity shares.

2.15 Impairment**Financial assets (other than those carried at fair value)**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Non-financial assets**Property, plant and equipment and Intangible assets**

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

2.16 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Notes forming part of the Financial Statements (Contd.)

3. (i) Property, Plant And Equipment

| Description of assets | Land - freehold | Land - leasehold | Buildings | Improvements to leasehold premises | Plant and equipment | Computer equipment | Furniture and fixtures | Office equipment | Electrical installations | Air conditioners | Vehicles | Total |
|---|-----------------|------------------|-----------|------------------------------------|---------------------|--------------------|------------------------|------------------|--------------------------|------------------|----------|-----------|
| I. Gross carrying amount | | | | | | | | | | | | |
| Balance as at April 01, 2023 | 929.90 | 49.96 | 4,240.95 | 3,411.21 | 202.87 | 16,699.85 | 1,755.66 | 2,244.73 | 1,091.99 | 1,167.31 | 124.14 | 31,918.57 |
| Add: Additions | - | - | 0.87 | 3,661.34 | - | 3,222.15 | 708.28 | 464.40 | 172.23 | 51.85 | - | 8,281.12 |
| Less: Disposals/Deletions | - | - | - | 21.85 | 10.52 | 3,475.94 | 1.66 | 389.30 | 201.55 | 15.98 | - | 4,116.80 |
| Balance as at March 31, 2024 | 929.90 | 49.96 | 4,241.82 | 7,050.70 | 192.35 | 16,446.06 | 2,462.28 | 2,319.83 | 1,062.67 | 1,203.18 | 124.14 | 36,082.89 |
| II. Accumulated depreciation | | | | | | | | | | | | |
| Balance as at April 01, 2023 | - | 23.81 | 1,102.70 | 727.08 | 134.72 | 10,396.13 | 942.18 | 1,468.42 | 613.56 | 493.22 | 43.39 | 15,945.21 |
| Add: Depreciation expense for the year | - | 3.40 | 168.43 | 591.32 | 26.98 | 3,429.34 | 240.21 | 271.98 | 131.52 | 146.92 | 13.86 | 5,023.96 |
| Less: Eliminated on disposal/deletion of assets | - | - | - | 21.85 | 10.52 | 3,472.23 | 1.66 | 388.87 | 200.92 | 15.73 | - | 4,111.78 |
| Balance as at March 31, 2024 | - | 27.21 | 1,271.13 | 1,296.55 | 151.18 | 10,353.24 | 1,180.73 | 1,351.53 | 544.16 | 624.41 | 57.25 | 16,857.39 |
| Net carrying amount (I-II) | 929.90 | 22.75 | 2,970.69 | 5,754.15 | 41.17 | 6,092.82 | 1,281.55 | 968.30 | 518.51 | 578.77 | 66.89 | 19,225.50 |

| Description of assets | Land - freehold | Land - leasehold | Buildings | Improvements to leasehold premises | Plant and equipment | Computer equipment | Furniture and fixtures | Office equipment | Electrical installations | Air conditioners | Vehicles | Total |
|---|-----------------|------------------|-----------|------------------------------------|---------------------|--------------------|------------------------|------------------|--------------------------|------------------|----------|-----------|
| I. Gross carrying amount | | | | | | | | | | | | |
| Balance as at April 01, 2022 | 929.90 | 49.96 | 3,920.62 | 2,143.34 | 156.78 | 13,265.00 | 1,495.76 | 1,493.32 | 814.58 | 607.47 | 106.56 | 24,983.29 |
| Add: Additions | - | - | 320.33 | 1,694.79 | 46.09 | 3,457.74 | 343.28 | 760.23 | 278.83 | 617.50 | 17.58 | 7,536.37 |
| Less: Disposals/Deletions | - | - | - | 426.92 | - | 22.89 | 83.38 | 8.82 | 1.42 | 57.66 | - | 601.09 |
| Balance as at March 31, 2023 | 929.90 | 49.96 | 4,240.95 | 3,411.21 | 202.87 | 16,699.85 | 1,755.66 | 2,244.73 | 1,091.99 | 1,167.31 | 124.14 | 31,918.57 |
| II. Accumulated depreciation | | | | | | | | | | | | |
| Balance as at April 01, 2022 | - | 20.41 | 939.18 | 758.18 | 108.53 | 7,482.27 | 795.39 | 1,268.14 | 494.05 | 411.28 | 28.44 | 12,305.87 |
| Add: Depreciation expense for the year | - | 3.40 | 163.52 | 395.82 | 26.19 | 2,933.36 | 211.77 | 209.10 | 120.18 | 118.98 | 14.95 | 4,197.27 |
| Less: Eliminated on disposal/deletion of assets | - | - | - | 426.92 | - | 19.50 | 64.98 | 8.82 | 0.67 | 37.04 | - | 557.93 |
| Balance as at March 31, 2023 | - | 23.81 | 1,102.70 | 727.08 | 134.72 | 10,396.13 | 942.18 | 1,468.42 | 613.56 | 493.22 | 43.39 | 15,945.21 |
| Net carrying amount (I-II) | 929.90 | 26.15 | 3,138.25 | 2,684.13 | 68.15 | 6,303.72 | 813.48 | 776.31 | 478.43 | 674.09 | 80.75 | 15,973.36 |

Notes forming part of the Financial Statements (Contd.)

3. (ia) Capital Work-In-Progress

₹ lakhs

| Description of assets | Capital work-in-progress |
|-------------------------------------|--------------------------|
| Balance as at April 01, 2023 | 697.93 |
| Add: Additions | 8,032.84 |
| Less: Capitalisations | 8,515.34 |
| Balance as at March 31, 2024 | 215.43 |
| Balance as at April 01, 2022 | 2,208.92 |
| Add: Additions | 6,141.77 |
| Less: Capitalisations | 7,652.76 |
| Balance as at March 31, 2023 | 697.93 |

Capital work-in Progress ageing *

Ageing for capital work-in-progress as at March 31, 2024 is as follows:

₹ lakhs

| CWIP | Amount in CWIP as at March 31, 2024 | | | | Total |
|--------------------------------|-------------------------------------|-----------|-----------|-------------------|---------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 215.43 | - | - | - | 215.43 |
| Projects temporarily suspended | - | - | - | - | - |
| Total | 215.43 | - | - | - | 215.43 |

Ageing for capital work-in-progress as at March 31, 2023 is as follows:

₹ lakhs

| CWIP | Amount in CWIP as at March 31, 2023 | | | | Total |
|--------------------------------|-------------------------------------|-----------|-----------|-------------------|---------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 697.93 | - | - | - | 697.93 |
| Projects temporarily suspended | - | - | - | - | - |
| Total | 697.93 | - | - | - | 697.93 |

*Project execution plans are modulated basis capacity requirement assessment on an annual basis and all the projects are executed as per rolling annual plan.

For capital-work-in progress, whose completion is overdue compared to its original plan, is as follows.

CWIP completion schedule

₹ lakhs

| CWIP | Amount in CWIP as at March 31, 2023 | | | | Total |
|----------------------|-------------------------------------|-----------|-----------|-------------------|---------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 215.43 | - | - | - | 215.43 |
| Total | 215.43 | - | - | - | 215.43 |

Notes forming part of the Financial Statements (Contd.)

3. (ii) Intangible Assets

| ₹ lakhs | |
|--|-------------------|
| Description of assets | Computer software |
| I. Gross carrying amount | |
| Balance as at April 01, 2023 | 5,326.98 |
| Add: Additions | 234.22 |
| Less: Disposals/Deletions | 1,417.71 |
| Balance as at March 31, 2024 | 4,143.49 |
| II. Accumulated depreciation | |
| Balance as at April 01, 2023 | 3,706.78 |
| Add: Amortisation expense for the year | 510.30 |
| Less: Eliminated on disposal of assets | 1,417.71 |
| Balance as at March 31, 2024 | 2,799.37 |
| III. Net carrying amount (I-II) | 1,344.12 |

| ₹ lakhs | |
|---|-------------------|
| Description of assets | Computer software |
| I. Gross carrying amount | |
| Balance as at April 01, 2022 | 5,210.59 |
| Add: Additions | 116.39 |
| Less: Disposals/Deletions | - |
| Balance as at March 31, 2023 | 5,326.98 |
| II. Accumulated depreciation | |
| Balance as at April 01, 2022 | 3,175.82 |
| Add: Amortisation expense for the year | 530.96 |
| Less: Eliminated on disposal/deletion of assets | - |
| Balance as at March 31, 2023 | 3,706.78 |
| III. Net carrying amount (I-II) | 1,620.20 |

4. Investments

| ₹ lakhs | | |
|---|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Non-current | | |
| Investment carried at fair value through profit or loss | | |
| Investments in Equity Instruments (Unquoted) | | |
| Investments in other entities * (Refer Note 39) | - | - |
| | - | - |

*value is less than a lakh

Notes forming part of the Financial Statements (Contd.)

5. Loans Receivable

₹ lakhs

| | As at March 31, 2024 | As at March 31, 2023 |
|-----------------------------------|-------------------------|-------------------------|
| Unsecured, considered good | | |
| Current | | |
| Loans to employees | 302.45 | 181.43 |
| | 302.45 | 181.43 |

6. Other Financial Assets

₹ lakhs

| | As at March 31, 2024 | | As at March 31, 2023 | |
|---|----------------------|------------------|----------------------|-----------------|
| (i) Non-current | | | | |
| (a) Security deposits | | | | |
| Considered good | 3,450.78 | | 2,559.91 | |
| Considered doubtful | 14.81 | | 17.07 | |
| | 3,465.59 | | 2,576.98 | |
| Less: provision for doubtful deposits | 14.81 | 3,450.78 | 17.07 | 2,559.91 |
| (b) Bank deposits with more than 12 months maturity | | 15,200.00 | | 4,200.00 |
| (c) Interest receivable | | 488.47 | | 85.37 |
| (d) Claims receivable | | 292.34 | | - |
| | | 19,431.59 | | 6,845.28 |

Bank deposits include ₹ 375.00 lakhs as at March 31, 2024 (₹ 700.00 lakhs as at March 31, 2023), pertaining to deposits held as security by bank for Bank Guarantee's and Letter of Credit's.

| | | | | |
|---|--|-----------------|--|-----------------|
| (ii) Current | | | | |
| (a) Others | | | | |
| Fair value of foreign exchange derivative contracts | | 170.68 | | 202.57 |
| Interest receivable | | 3,536.96 | | 3,342.24 |
| Claims receivable | | 1,272.28 | | - |
| Security deposits | | 393.67 | | 1,020.47 |
| | | 5,373.59 | | 4,565.28 |

Notes forming part of the Financial Statements (Contd.)

7. Deferred Tax Assets (Net)

| | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| ₹ lakhs | | |
| Deferred tax assets / (liabilities) in relation to: | | |
| a) Property, plant and equipment and intangible assets | (743.07) | (905.27) |
| b) Provision for employee benefits | 1,770.88 | 1,205.28 |
| c) Provision for doubtful receivables/other assets | 284.93 | 285.07 |
| d) Leases | 1,074.16 | 703.75 |
| | 2,386.90 | 1,288.83 |

8. Other Assets

| | As at March 31, 2024 | As at March 31, 2023 |
|-------------------------------|-------------------------|-------------------------|
| ₹ lakhs | | |
| (i) Non-current | | |
| Considered good | | |
| a) Capital advances | 72.75 | 12.65 |
| b) Prepaid expenses | 82.56 | 73.17 |
| | 155.31 | 85.82 |
| (ii) Current | | |
| Considered good | | |
| a) Prepaid expenses | 3,490.90 | 2,590.11 |
| b) Indirect taxes recoverable | 874.86 | 823.65 |
| c) Advance to suppliers | 344.27 | 326.12 |
| d) Claims receivable | - | 902.12 |
| e) Advance to employees | 684.10 | 727.57 |
| f) Contract assets | 9,622.23 | 4,401.22 |
| | 15,016.36 | 9,770.79 |

9. Tax Assets (Net)

| | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| ₹ lakhs | | |
| Non-current | | |
| Tax deducted at source/advance tax paid (net of tax provision) | 3,239.18 | 2,724.00 |
| | 3,239.18 | 2,724.00 |

Notes forming part of the Financial Statements (Contd.)

10. Inventories

₹ lakhs

| | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| (At lower of cost or net realisable value) | | |
| Components and spares - for trading | 110.71 | 38.62 |
| | 110.71 | 38.62 |

11. Trade Receivables

₹ lakhs

| | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| Billed | | |
| Unsecured, considered good | 82,774.70 | 85,665.90 |
| Unsecured, credit impaired | 336.26 | 296.72 |
| Less: Impairment allowance | 336.26 | 296.72 |
| Unsecured, which have significant increase in credit risk | 479.13 | 502.01 |
| Less: Impairment allowance | 479.13 | 502.01 |
| | 82,774.70 | 85,665.90 |

Ageing for trade receivables outstanding as at March 31, 2024 is as follows:

₹ lakhs

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|--|--|--------------------|-------------------|---------------|--------------|-------------------|------------------|
| | Not due | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade Receivables - considered good | 64,535.13 | 16,154.29 | 1,715.13 | 285.65 | 7.48 | 77.02 | 82,774.70 |
| (ii) Undisputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables - credit impaired | - | - | - | 289.29 | 46.97 | - | 336.26 |
| (iv) Disputed Trade Receivables - considered good | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables - which have significant increase in credit risk | - | - | - | 1.62 | 29.16 | 448.35 | 479.13 |
| (vi) Disputed Trade Receivables - credit impaired | - | - | - | - | - | - | - |
| | 64,535.13 | 16,154.29 | 1,715.13 | 576.56 | 83.61 | 525.37 | 83,590.09 |
| Less: Allowance for doubtful trade receivables billed | 64,535.13 | 16,154.29 | 1,715.13 | 576.56 | 83.61 | 525.37 | (815.39) |
| | | | | | | | 82,774.70 |
| Add: Trade receivables unbilled | | | | | | | 14,384.14 |
| | | | | | | | 97,158.84 |

Notes forming part of the Financial Statements (Contd.)

Ageing for trade receivables outstanding as at March 31, 2023 is as follows:

₹ lakhs

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|--|--|--------------------|-------------------|---------------|---------------|-------------------|------------------|
| | Not due | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade Receivables - considered good | 46,226.48 | 37,271.11 | 2,092.86 | 15.67 | 59.78 | - | 85,665.90 |
| (ii) Undisputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables - credit impaired | - | 159.30 | 31.65 | 102.22 | 3.55 | - | 296.72 |
| (iv) Disputed Trade Receivables - considered good | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables - which have significant increase in credit risk | - | - | - | 30.08 | 436.99 | 34.94 | 502.01 |
| (vi) Disputed Trade Receivables - credit impaired | - | - | - | - | - | - | - |
| | 46,226.48 | 37,430.41 | 2,124.51 | 147.97 | 500.32 | 34.94 | 86,464.63 |
| Less: Allowance for doubtful trade receivables billed | | | | | | | (798.73) |
| | | | | | | | 85,665.90 |
| Add: Trade receivables unbilled | | | | | | | 11,971.65 |
| | | | | | | | 97,637.55 |

Above balances of trade receivables - billed include balances with related parties (Refer note 31).

12. Cash And Cash Equivalents

₹ lakhs

| | As at March 31, 2024 | As at March 31, 2023 |
|--|----------------------|----------------------|
| Cash on hand | 0.05 | 0.34 |
| Balances with banks | | |
| i) in current accounts | 13,324.24 | 11,388.83 |
| ii) Bank deposits with original maturity of less than 3 months | - | 2,000.00 |
| | 13,324.29 | 13,389.17 |

Cash and cash equivalents include restricted cash and bank balances of ₹ 37.82 lakhs as at March 31, 2024 (₹ 35.4 lakhs as at March 31, 2023). The restrictions are primarily on account of bank balances held as margin money deposits against guarantees

Notes forming part of the Financial Statements (Contd.)

13. Bank Balances Other Than Cash And Cash Equivalents

₹ lakhs

| | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| a) in earmarked accounts | | |
| - Unclaimed dividends account | 1,185.84 | 1,016.12 |
| b) Bank deposits with original maturity greater than 3 months and less than 12 months | 1,21,200.00 | 1,04,750.00 |
| | 1,22,385.84 | 1,05,766.12 |

14. Share Capital

₹ lakhs

| | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Authorised : | | |
| 7,00,00,000 equity shares of ₹ 10/- each | | |
| (March 31, 2023: 7,00,00,000 equity shares of ₹ 10/- each) | 7,000.00 | 7,000.00 |
| Issued : | | |
| 6,23,03,840 equity shares of ₹ 10/- each | | |
| (March 31, 2023: 62,303,840 equity shares of ₹ 10/- each) | 6,230.38 | 6,230.38 |
| Subscribed and fully paid up : | | |
| 6,22,76,440 equity shares of ₹ 10/-each | | |
| (March 31, 2023: 6,22,76,440 equity shares of ₹ 10/-each) | 6,227.64 | 6,227.64 |
| | 6,227.64 | 6,227.64 |

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

| | As at March 31, 2024 | | As at March 31, 2023 | |
|---|----------------------|-------------------|----------------------|-------------------|
| | Number of shares | Amount in ₹ lakhs | Number of shares | Amount in ₹ lakhs |
| Equity shares with voting rights | | | | |
| Equity shares with voting rights | | | | |
| Opening balance | 6,22,76,440 | 6,227.64 | 6,22,76,440 | 6,227.64 |
| Closing balance | 6,22,76,440 | 6,227.64 | 6,22,76,440 | 6,227.64 |

Notes forming part of the Financial Statements (Contd.)

Details of shares held by each shareholder holding more than 5% shares:

| Name of share holder | As at March 31, 2024 | | As at March 31, 2023 | |
|--|-----------------------|--------------------------------------|-----------------------|--------------------------------------|
| | Number of shares held | % of holding in that class of shares | Number of shares held | % of holding in that class of shares |
| Equity shares of ₹ 10 each with voting rights | | | | |
| Tata Sons Private Limited | 2,62,95,264 | 42.22% | 2,62,95,264 | 42.22% |

Rights, preferences and contingencies attached to equity shares

The Company has only one class of equity shares, having a par value of ₹ 10/-. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amount. However, as on date no such preferential amounts exist. The distribution will be in proportion to number of equity shares held by the shareholders.

₹ lakhs

| Promoter Holding | As at March 31, 2024 | | As at March 31, 2023 | | % Change during the year |
|-------------------------------------|-----------------------|--------------|-----------------------|--------------|--------------------------|
| | Number of shares held | % of Holding | Number of shares held | % of Holding | |
| Tata Sons Private Limited | 2,62,95,264 | 42.22% | 2,62,95,264 | 42.22% | 0.00% |
| Tata Investment Corporation Limited | 10,53,655 | 1.69% | 10,53,655 | 1.69% | 0.00% |

15. Other Equity

₹ lakhs

| | As at March 31, 2024 | | As at March 31, 2023 | |
|--|----------------------|------------------|----------------------|------------------|
| (i) General reserve: | | | | |
| Opening balance | 11,596.00 | | 10,596.00 | |
| Add: Transferred from surplus in statement of profit and loss | 1,000.00 | | 1,000.00 | |
| Closing balance | | 12,596.00 | | 11,596.00 |
| (ii) Retained earnings: | | | | |
| Opening balance | 1,90,753.07 | | 1,43,266.65 | |
| Add/(Less): Transferred from other comprehensive income for the year | (997.66) | | (565.41) | |
| Less: Dividend paid | (37,739.52) | | (26,467.49) | |
| Add: Net profit for the year | 79,223.79 | | 75,519.32 | |
| Balance available for appropriation | 2,31,239.68 | | 1,91,753.07 | |
| Less: Appropriations | | | | |

Notes forming part of the Financial Statements (Contd.)

₹ lakhs

| | As at March 31, 2024 | | As at March 31, 2023 | |
|--|----------------------|--------------------|----------------------|--------------------|
| Less: Transferred to Special Economic Zone re-investment reserve | (2,533.58) | | | |
| Less: Transfer to general reserve | (1,000.00) | | (1,000.00) | |
| Closing balance | | 2,27,706.10 | | 1,90,753.07 |
| (iii) Special Economic Zone re-investment reserve | | | | |
| Opening balance | - | | - | |
| Add: Transfer from retained earnings | 2,533.58 | | - | |
| Closing balance | | 2,533.58 | | - |
| (iv) Share based payments reserve | | | | |
| Opening balance | - | | - | |
| Add: Expense for the year | 1,502.31 | | - | |
| Closing balance | | 1,502.31 | | - |
| | | 2,44,337.99 | | 2,02,349.07 |

16. Provisions

₹ lakhs

| | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| (i) Non-current | | |
| (a) Provision for employee benefits | | |
| - Provision for compensated absences | 2,959.73 | 2,081.78 |
| - Provision for Pension | 2,460.26 | 2,463.54 |
| | 5,419.99 | 4,545.32 |
| (ii) Current | | |
| (a) Provision for employee benefits | | |
| - Provision for compensated absences | 1,466.14 | 1,561.53 |
| - Provision for Gratuity | 2,195.74 | 816.44 |
| (b) Other provisions | | |
| - Provision for warranty | 184.39 | 181.76 |
| | 3,846.27 | 2,559.73 |

Details of movement in other provisions is as follows:

₹ lakhs

| Particulars | Amount | Particulars | Amount |
|-------------------------------------|---------------|-------------------------------------|---------------|
| Balance as at April 01, 2023 | 181.76 | Balance as at April 01, 2022 | 163.22 |
| Net charge during the year | 2.63 | Net charge during the year | 18.54 |
| Balance as at March 31, 2024 | 184.39 | Balance as at March 31, 2023 | 181.76 |

Notes forming part of the Financial Statements (Contd.)

Warranty claims:

Provision for warranty represents present value of management's best estimate of the future outflow of economic benefits that will be required in respect of services provided, the estimated cost of which is accrued at the time of providing service. Management estimates the related provision for future warranty claims based on historical warranty claim information and is adjusted regularly to reflect new information. The products are generally covered under a free warranty period ranging up to 3 months.

17. Trade Payables

₹ lakhs

| | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Current | | |
| - Acceptances | - | - |
| - Other than acceptances | | |
| Trade payables - Micro, small and medium enterprises | 414.53 | 3.16 |
| Trade payables - Other than micro, small and medium enterprises | 8,149.37 | 10,313.87 |
| | 8,563.90 | 10,317.03 |

Ageing for trade payables outstanding as at March 31, 2024 is as follows:

₹ lakhs

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|-----------------------------|--|---------------------|-------------|-----------|----------------------|-----------------|
| | Not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | 316.14 | 98.39 | - | - | - | 414.53 |
| (ii) Others | 1,329.64 | 149.65 | 3.58 | - | - | 1,482.87 |
| (iii) Disputed dues - MSME | - | - | - | - | - | - |
| (iv) Disputed dues - others | - | - | - | - | - | - |
| | 1,645.78 | 248.04 | 3.58 | - | - | 1,897.40 |
| Accrued expenses | | | | | | 6,666.50 |
| | | | | | | 8,563.90 |

Ageing for trade payables outstanding as at March 31, 2023 is as follows:

₹ lakhs

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|-----------------------------|--|---------------------|-------------|-----------|----------------------|------------------|
| | Not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | 3.16 | - | - | - | - | 3.16 |
| (ii) Others | 355.60 | 377.17 | 6.45 | - | - | 739.22 |
| (iii) Disputed dues - MSME | - | - | - | - | - | - |
| (iv) Disputed dues - others | - | - | - | - | - | - |
| | 358.76 | 377.17 | 6.45 | - | - | 742.38 |
| Accrued expenses | | | | | | 9,574.65 |
| | | | | | | 10,317.03 |

Above balances of trade payables include balances with related parties (Refer note 31).

Notes forming part of the Financial Statements (Contd.)

18. Other Financial Liabilities

| | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| ₹ lakhs | | |
| Current | | |
| a) Employee related liabilities | 6,783.39 | 8,354.47 |
| b) Capital creditors | 346.02 | 77.10 |
| c) Security deposit accepted | 0.20 | 0.20 |
| d) Unclaimed dividend | 1,185.84 | 1,016.12 |
| e) Liabilities against customer contracts | 1,956.70 | 2,585.14 |
| f) Fair value of foreign exchange derivative contracts | 80.19 | 235.88 |
| | 10,352.34 | 12,268.91 |

19. Tax Liabilities

| | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| ₹ lakhs | | |
| Current | | |
| - Provision for taxation (net of advance tax) | 5,470.46 | 4,549.12 |
| | 5,470.46 | 4,549.12 |

20. Other Liabilities

| | As at March 31, 2024 | As at March 31, 2023 |
|------------------------------------|-------------------------|-------------------------|
| ₹ lakhs | | |
| Current | | |
| a) Advance from customers | 101.10 | 5,473.21 |
| b) Contract liabilities | 5,212.95 | 4,340.97 |
| c) Statutory and other liabilities | 6,767.38 | 5,492.86 |
| | 12,081.43 | 15,307.04 |

Notes forming part of the Financial Statements (Contd.)

21. Revenue From Operations

| ₹ lakhs | | |
|--|--------------------------------------|--------------------------------------|
| Particulars | Year to date ended March 31, 2024 | Year to date ended March 31, 2023 |
| Rendering of services | 3,53,008.79 | 3,11,870.77 |
| Sale of traded goods | 2,205.78 | 2,601.48 |
| | 3,55,214.57 | 3,14,472.25 |
| Revenue disaggregation by segment is as follows: | | |
| Software development and services | 3,45,625.73 | 3,06,594.75 |
| System integration and support services | 9,588.84 | 7,877.50 |
| | 3,55,214.57 | 3,14,472.25 |
| Revenue disaggregation by project type is as follows: | | |
| Time and material | 1,69,161.10 | 1,50,934.20 |
| Fixed price | 1,83,847.69 | 1,60,936.57 |
| Sale of goods | 2,205.78 | 2,601.48 |
| | 3,55,214.57 | 3,14,472.25 |
| Revenue disaggregation by geography is as follows: | | |
| India | 71,338.06 | 52,154.96 |
| US | 1,35,324.49 | 1,32,272.28 |
| Europe | 1,19,689.58 | 1,13,950.68 |
| Others | 28,862.44 | 16,094.33 |
| | 3,55,214.57 | 3,14,472.25 |
| Reconciliation of revenue recognised with the contracted price is as follows: | | |
| Contracted price | 3,57,171.27 | 3,17,339.21 |
| Reductions towards variable consideration components* | (1,956.70) | (2,866.96) |
| Revenue recognised | 3,55,214.57 | 3,14,472.25 |

* The reduction towards variable consideration comprises of volume discounts, service level credits, etc.

22. Other Income (Net)

| ₹ lakhs | | |
|---|--------------------------------------|--------------------------------------|
| Particulars | Year to date ended March 31, 2024 | Year to date ended March 31, 2023 |
| a) Interest income: | | |
| i) Interest from banks on deposits | 9,190.47 | 5,224.02 |
| ii) Interest income on financial assets carried at amortised cost | 142.87 | 91.46 |
| b) Other gains and losses: | | |
| i) Net gain on foreign currency transactions | 947.39 | 979.03 |
| ii) Net gain/(loss) arising on financial assets measured at fair value through profit or loss | 123.80 | (219.63) |
| iii) Loss on sale of property, plant and equipment (Net) | (3.24) | (5.43) |

Notes forming part of the Financial Statements (Contd.)

₹ lakhs

| Particulars | Year to date ended March 31, 2024 | Year to date ended March 31, 2023 |
|--|---|---|
| c) Others: | | |
| i) Export and other incentives/credits | 1,152.53 | 646.38 |
| ii) Miscellaneous income | 641.36 | 665.18 |
| | 12,195.18 | 7,381.01 |

23. Cost of Materials Consumed

₹ lakhs

| Particulars | Year to date ended March 31, 2024 | Year to date ended March 31, 2023 |
|---|---|---|
| Spares, consumables and others | 17,574.98 | 16,508.42 |
| Purchase of traded goods - computers, networking and storage systems and components and parts | 1,831.59 | 2,103.17 |
| | 19,406.57 | 18,611.59 |

24. Changes in Inventories of Stock in Trade

₹ lakhs

| Particulars | Year to date ended March 31, 2024 | Year to date ended March 31, 2023 |
|---|---|---|
| Inventories at the end of the year: | | |
| Stock-in-trade - components and spares | 110.71 | 38.62 |
| | 110.71 | 38.62 |
| Inventories at the beginning of the year: | | |
| Stock-in-trade - components and spares | 38.62 | 56.75 |
| | 38.62 | 56.75 |
| Net (increase) / decrease | (72.09) | 18.13 |

25. Employee Benefits Expense

₹ lakhs

| Particulars | Year to date ended March 31, 2024 | Year to date ended March 31, 2023 |
|---|---|---|
| Salaries and wages | 1,74,944.40 | 1,47,268.85 |
| Contribution to provident and other funds | 9,965.85 | 6,375.94 |
| Equity settled share based payment transactions | 1,502.31 | - |
| Staff welfare expenses | 4,547.00 | 6,132.70 |
| | 1,90,959.56 | 1,59,777.49 |

Notes forming part of the Financial Statements (Contd.)

26. Other Expenses

| ₹ lakhs | | |
|--|--------------------------------------|--------------------------------------|
| Particulars | Year to date ended March 31, 2024 | Year to date ended March 31, 2023 |
| Facility expenses | 492.78 | 467.94 |
| Rates and taxes | 192.73 | 254.92 |
| Power and fuel | 1,378.35 | 1,025.25 |
| Repairs and maintenance : Building | 810.92 | 685.31 |
| : Plant and equipment | 4,679.81 | 3,397.50 |
| : Others | 1,146.19 | 864.28 |
| Communication expenses | 670.67 | 679.92 |
| Inland travel and conveyance | 1,298.86 | 961.93 |
| Overseas travel | 7,362.59 | 5,188.20 |
| Advertisement and sales promotion expenses | 1,865.89 | 1,849.90 |
| Commission on sales | 502.90 | 627.32 |
| Printing and stationery | 50.96 | 66.62 |
| Motor vehicle expenses | 417.87 | 296.98 |
| Recruitment and training | 1,659.87 | 2,632.40 |
| Consultant fees for software development | 13,124.93 | 17,004.07 |
| Expenditure on corporate social responsibility (Refer Note 34) | 1,206.49 | 855.40 |
| Legal and professional charges | 2,201.35 | 1,926.47 |
| Non-Executive directors commission | 610.00 | 600.00 |
| Insurance | 242.39 | 242.10 |
| Bank and other charges | 85.46 | 108.82 |
| Auditors' remuneration (Refer Note (i) below) | 90.51 | 94.75 |
| Bad debts written off | - | 59.78 |
| Provision for doubtful debts (net of reversals) | 16.67 | (106.36) |
| Miscellaneous expenses | 168.91 | 153.68 |
| | 40,277.10 | 39,937.18 |

Note (i): Payments to the auditors excluding taxes, comprises:

| ₹ lakhs | | |
|-------------------------------|--------------------------------------|--------------------------------------|
| Particulars | Year to date ended March 31, 2024 | Year to date ended March 31, 2023 |
| As auditors - statutory audit | 77.00 | 82.00 |
| Other services | 6.00 | 2.70 |
| Reimbursement of expenses | 7.51 | 10.05 |
| | 90.51 | 94.75 |

Notes forming part of the Financial Statements (Contd.)

27. Income tax expense

₹ lakhs

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Income tax expenses: | | |
| Current tax | 26,206.00 | 18,319.00 |
| Deferred tax | (562.19) | (88.29) |
| Income tax included in Other comprehensive income: | | |
| Remeasurement of employee defined benefit plans | (535.88) | (303.71) |
| Tax expense for the year | 25,107.93 | 17,927.00 |

A. The reconciliation of income tax expense at statutory income tax rate to income tax charged to statement of profit and loss is as follows:

₹ lakhs

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--|------------------------------|------------------------------|
| Profit before tax | 1,04,867.60 | 93,750.03 |
| Expected income tax expense calculated at 34.944% (PY 34.944%) | 36,644.93 | 32,760.01 |
| Effect of expenses that are not deductible in determining taxable profit | 802.71 | 362.17 |
| Effect of concessions | (11,803.83) | (14,891.47) |
| Income tax expense recognised in profit or loss | 25,643.81 | 18,230.71 |

The tax rate used for 2023-24 reconciliation above is the corporate tax rate of 34.944% (PY 34.944%) payable by corporate entities in India on taxable profits under Indian tax law.

The Company benefits from the tax holiday available for units set up under the Special Economic Zone Act, 2005. These tax holidays are available for a period of fifteen years from the date of commencement of operations. Under the SEZ scheme, the units which begins providing services on or after April 1, 2005 will be eligible for deductions of 100% of profits or gains derived from export of services for the first five years, 50% of such profit or gains for a further period of five years and 50% of such profits or gains for the balance period of five years subject to fulfilment of certain conditions. Pune unit 1, Thiruvananthapuram, Chennai unit and Pune Unit 2, will be eligible for deductions of 100% of profits or gains derived from export of services for the first five years, 50% of such profit or gains for a further period of five years and 50% of such profits or gains for the balance period of five years subject to fulfilment of certain conditions.

B. Significant components of net deferred tax assets and liabilities for the years ended March 31, 2024 and March 31, 2023 are as follows:

₹ lakhs

| Particulars | As at April 01, 2023 | Recognised in statement of profit and loss | Recognised in Other comprehensive Income | As at March 31, 2024 |
|---|-------------------------|--|---|-------------------------|
| Deferred tax assets | | | | |
| Provision for doubtful trade receivables/ Claims receivables | 285.07 | (0.14) | - | 284.93 |

Notes forming part of the Financial Statements (Contd.)

₹ lakhs

| Particulars | As at April 01, 2023 | Recognised in statement of profit and loss | Recognised in Other comprehensive Income | As at March 31, 2024 |
|--|----------------------|--|--|----------------------|
| Employee Benefits | 1,205.28 | 29.72 | 535.88 | 1,770.88 |
| Lease liabilities (Net right of use assets) | 703.75 | 370.41 | - | 1,074.16 |
| Deferred tax liabilities | | | | |
| Property, Plant and equipments and Intangible assets | (905.27) | 162.20 | - | (743.07) |
| Total | 1,288.83 | 562.19 | 535.88 | 2,386.90 |

₹ lakhs

| Particulars | As at April 01, 2022 | Recognised in statement of profit and loss | Recognised in Other comprehensive Income | As at March 31, 2023 |
|--|----------------------|--|--|----------------------|
| Deferred tax assets | | | | |
| Provision for doubtful trade receivables/ Claims receivables | 523.13 | (238.06) | - | 285.07 |
| Employee Benefits | 776.63 | 124.94 | 303.71 | 1,205.28 |
| Lease liabilities (Net right of use assets) | 495.40 | 208.35 | - | 703.75 |
| Deferred tax liabilities | | | | |
| Property, Plant and equipments and Intangible assets | (898.33) | (6.94) | - | (905.27) |
| Total | 896.83 | 88.29 | 303.71 | 1,288.83 |

28. Employee benefit plans

a. Defined contribution plans

The Company makes contribution to Provident Fund, Superannuation Fund and Employee State Insurance fund for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.

The Company recognised i) ₹ 4,846.56 lakhs and ₹ 3,763.57 lakhs for Provident Fund contributions for the year ended March 31, 2024 and March 31, 2023, respectively. ii) ₹ 1,083.33 lakhs and ₹ 1,468.64 lakhs for Superannuation Fund contributions for the year ended March 31, 2024 and March 31, 2023, respectively. The contributions payable to these plans by the Company are at the rates specified in the rules of the schemes.

b. Defined benefit plans

The Company offers gratuity (included as part of Contribution to Provident and other funds in Note 25 Employee benefit expenses) to its eligible employees under defined benefit plans.

The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days basic salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service. The gratuity fund is managed by third party fund (Life Insurance Corporation of India).

Notes forming part of the Financial Statements (Contd.)

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

| ₹ lakhs | | |
|---|---|---|
| Particulars | Year to date ended March 31, 2024 | Year to date ended March 31, 2023 |
| Change in defined benefit obligations (DBO) | | |
| Present value of DBO at beginning of the year | 6,361.54 | 5,524.83 |
| Current service cost | 992.33 | 813.73 |
| Interest cost | 474.57 | 384.53 |
| Remeasurement of the net defined benefit liability | 1,473.65 | 617.41 |
| Benefits paid | (851.69) | (978.96) |
| Present value of DBO at the end of the year | 8,450.40 | 6,361.54 |
| Change in fair value of plan assets during the year | | |
| Fair value of plan assets at beginning of the year | 5,545.11 | 5,444.44 |
| Interest Income | 413.66 | 378.93 |
| Employer's Contribution | 1,200.00 | 650.00 |
| Remeasurement - return on plan assets excluding amount included in interest income | (52.42) | 50.70 |
| Benefits paid | (851.69) | (978.96) |
| Plan assets at the end of the year | 6,254.66 | 5,545.11 |
| Funded status | | |
| Deficit of plan assets over obligations | (2,195.74) | (816.44) |
| Category of assets | | |
| Insurer managed funds | 6,254.66 | 5,545.11 |
| Service Cost | 992.33 | 813.73 |
| Net interest on net defined benefit (assets)/liability | 60.91 | 5.60 |
| Net periodic gratuity cost | 1,053.24 | 819.33 |
| Actual return on plan assets | 413.66 | 378.93 |
| Re-measurement (gains) / losses in OCI | | |
| Actuarial losses arising from changes in demographic assumptions | - | - |
| Actuarial (gains) and losses arising from changes in financial assumptions | 153.54 | (224.29) |
| Actuarial losses arising from changes in experience adjustments | 1,320.11 | 841.70 |
| Remeasurement of the net defined benefit liability | 1,473.65 | 617.41 |
| Remeasurement - return on plan as sets excluding amount included in interest income | 52.42 | (50.70) |
| Total | 1,526.07 | 566.71 |
| Actuarial assumptions for the defined benefit plan | | |
| Discount rate | 7.20% | 7.46% |
| Expected return on plan assets | 7.20% | 7.46% |
| Salary escalation | 6.00% | 6.00% |
| Attrition : If past service <5 years | 11.00% | 11.00% |
| : If past service >5 years | 9.00% | 9.00% |

Notes forming part of the Financial Statements (Contd.)

Future mortality assumptions are taken based on the published statistics by the Insurance Regulatory and Development Authority of India.

The expected benefits are based on the same assumptions as are used to measure the Company's defined benefit plan obligations as at March 31, 2024. The Company is expected to contribute ₹ 3,490.61 lakhs to defined benefit obligations funds for the year ended March 31, 2025.

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance sheet date for the estimated term of the obligations. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

The significant actuarial assumptions for the determination of the defined benefit obligations are discount rate, expected salary increase and employee attrition. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

If the discount rate increases (decreases) by 1%, the defined benefit obligations would decrease by ₹ 562.84 lakhs (increase by ₹ 643.68 lakhs) as at March 31, 2024. If the expected salary growth increases (decreases) by 1%, the defined benefit obligations would increase by ₹ 644.96 lakhs (decrease by ₹ 573.87 lakhs) as at March 31, 2024. If the employee attrition rate increases (decreases) by 1%, the defined benefit obligation would increase by ₹ 8.89 lakhs (decrease by ₹ 15.17 lakhs).

The sensitivity analysis has been performed based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumption may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the Projected Unit Credit Method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Each year an Asset - Liability matching study is performed in which the consequences of the strategic investment policies are analysed in terms of risk and return profiles. Investment and contribution policies are integrated within this study.

The defined benefit obligations shall mature after year ended March 31, 2024 as follows.

| Year ending March 31, | ₹ lakhs Defined benefit obligations |
|-----------------------|--|
| 2025 | 796.26 |
| 2026 | 702.67 |
| 2027 | 761.58 |
| 2028 | 823.16 |
| 2029 | 836.94 |
| Thereafter | 12,375.20 |

Notes forming part of the Financial Statements (Contd.)

29. Earnings per share

| Particulars | ₹ lakhs | |
|--|-----------------------------------|-----------------------------------|
| | Year to date ended March 31, 2024 | Year to date ended March 31, 2023 |
| Net profit for the year from continuing operations attributable to the equity shareholders (₹ lakhs) | 79,223.79 | 75,519.32 |
| Weighted average number of shares considered for basic earnings per share | 6,22,76,440 | 6,22,76,440 |
| Add: Dilutive effect of stock options | 15,477 | - |
| Weighted average number of shares considered for diluted earnings per share | 6,22,91,917 | 6,22,76,440 |
| Par value per share (₹) | 10 | 10 |
| Earnings per share | | |
| - Basic (₹) | 127.21 | 121.26 |
| - Diluted (₹) | 127.18 | 121.26 |

30. Financial instruments - Fair values and Risk management

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2.10 to the financial statements.

(a) Financial assets and liabilities

The carrying value/fair value of financial instruments by categories as of March 31, 2024 is as follows:

| Particulars | ₹ lakhs | | | | | |
|-----------------------------|-----------------------------------|---|--|--|----------------|----------------------|
| | Fair value through profit or loss | Fair value through other comprehensive income | Derivative instruments in hedging relationship | Derivative instruments not in hedging relationship | Amortised cost | Total carrying value |
| Assets: | | | | | | |
| Investments* | - | - | - | - | - | - |
| Trade receivables | | | | | | |
| Billed | - | - | - | - | 82,774.70 | 82,774.70 |
| Unbilled | - | - | - | - | 14,384.14 | 14,384.14 |
| Cash and cash equivalents | - | - | - | - | 13,324.29 | 13,324.29 |
| Other bank balances | - | - | - | - | 1,22,385.84 | 1,22,385.84 |
| Loans receivables | - | - | - | - | 302.45 | 302.45 |
| Other financial assets | - | - | - | 170.68 | 24,634.50 | 24,805.18 |
| Total | - | - | - | 170.68 | 2,57,805.92 | 2,57,976.60 |
| Liabilities: | | | | | | |
| Lease Liabilities | - | - | - | - | 22,398.14 | 22,398.14 |
| Trade payables | - | - | - | - | 8,563.90 | 8,563.90 |
| Other financial liabilities | - | - | - | 80.19 | 10,272.15 | 10,352.34 |
| Total | - | - | - | 80.19 | 41,234.19 | 41,314.38 |

Notes forming part of the Financial Statements (Contd.)

The carrying value/fair value of financial instruments by categories as of March 31, 2023 is as follows:

| ₹ lakhs | | | | | | |
|-----------------------------|-----------------------------------|---|--|--|--------------------|----------------------|
| Particulars | Fair value through profit or loss | Fair value through other comprehensive income | Derivative instruments in hedging relationship | Derivative instruments not in hedging relationship | Amortised cost | Total carrying value |
| Assets: | | | | | | |
| Investments* | - | - | - | - | - | - |
| Trade receivables | | | | | | |
| Billed | - | - | - | - | 85,665.90 | 85,665.90 |
| Unbilled | - | - | - | - | 11,971.65 | 11,971.65 |
| Cash and cash equivalents | - | - | - | - | 13,389.17 | 13,389.17 |
| Other bank balances | - | - | - | - | 1,05,766.12 | 1,05,766.12 |
| Loans receivables | - | - | - | - | 181.43 | 181.43 |
| Other financial assets | - | - | - | 202.57 | 11,207.99 | 11,410.56 |
| Total | - | - | - | 202.57 | 2,28,182.26 | 2,28,384.83 |
| Liabilities: | | | | | | |
| Lease Liabilities | - | - | - | - | 18,226.40 | 18,226.40 |
| Trade payables | - | - | - | - | 10,317.03 | 10,317.03 |
| Other financial liabilities | - | - | - | 235.88 | 12,033.03 | 12,268.91 |
| Total | - | - | - | 235.88 | 40,576.46 | 40,812.34 |

*value is less than a lakh

(b) Fair value hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Notes forming part of the Financial Statements (Contd.)

The investments included in Level 2 of fair value hierarchy have been valued using quotes available for similar assets and liabilities in the active market. The investments included in Level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value. The cost of unquoted investments approximate the fair value because there is a range of possible fair value measurements and the cost represents estimate of fair value within that range.

₹ lakhs

| As at March 31, 2024 | Level 1 | Level 2 | Level 3 | Total |
|---|---------|---------|---------|---------------|
| Financial assets/liabilities: | | | | |
| Fair value of foreign exchange derivative assets | - | 170.68 | - | 170.68 |
| Fair value of foreign exchange derivative liabilities | - | 80.19 | - | 80.19 |

₹ lakhs

| As at March 31, 2023 | Level 1 | Level 2 | Level 3 | Total |
|---|---------|---------|---------|---------------|
| Financial assets/liabilities: | | | | |
| Fair value of foreign exchange derivative assets | - | 202.57 | - | 202.57 |
| Fair value of foreign exchange derivative liabilities | - | 235.88 | - | 235.88 |

(c) Financial risk management

The Company is exposed primarily to fluctuations in credit, liquidity and market risks, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which covers risks associated with the financial assets and financial liabilities. The risk management policy is approved by the Board of Directors. The focus of risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company.

(d) Interest rate risk

The Company's investments are primarily in fixed rate interest bearing fixed deposits with banks. Hence the Company is not significantly exposed to interest rate risk.

(e) Credit risk

Credit risk is the risk of financial loss arising from counter party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled revenue, derivative financial instruments, cash and cash equivalents, other bank balances and other financial assets. Other bank balances include bank deposits for an amount of ₹ 1,36,400.00 lakhs (Previous year ₹ 1,10,950.00 lakhs) held with five schedule banks having high credit-rating which are individually in excess of 10% or more of the Company bank deposits for the year ended March 31, 2024. Trade receivables - billed and Trade receivables-unbilled include an amount of ₹ 22,967.74 lakhs (Previous year ₹ 21,661.10 lakhs) held with two customers having high credit-rating which are individually in excess of 10% or more of Company Trade receivables- billed and Trade receivables- unbilled for the year ended March 31, 2024.

Notes forming part of the Financial Statements (Contd.)

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to the credit risk was ₹ 2,57,976.60 lakhs and ₹ 2,28,384.83 lakhs as at March 31, 2024 and March 31, 2023, respectively, being the total of the carrying amount of balances principally with banks, other bank balances, Trade receivables- billed and Trade receivables- unbilled and other financial assets.

The Company's exposure to customers is diversified and except two customers, no single customer contributes to more than 10% and 10% of Trade receivables- billed and Trade receivables- unbilled as at March 31, 2024 and March 31, 2023, respectively.

Geographic concentration of credit risk

The Company also has a geographic concentration of Trade receivables- billed and Trade receivables- unbilled (gross and net of allowances) as given below:

Geographic concentration of credit risk is allocated based on the location of the customers.

| Country | As at March 31, 2024 | | As at March 31, 2023 | |
|--------------------------|----------------------|--------|----------------------|--------|
| | Gross % | Net % | Gross % | Net % |
| Europe | 41.17% | 40.96% | 29.31% | 29.45% |
| United States of America | 31.46% | 31.71% | 23.47% | 23.55% |
| India | 21.25% | 21.33% | 19.67% | 19.46% |
| Others | 6.12% | 6.00% | 27.55% | 27.54% |

The allowance for lifetime expected credit loss on trade receivables for the years ended March 31, 2024 and March 31, 2023 was ₹ 815.39 lakhs and ₹ 798.73 lakhs, respectively. The reconciliation of allowance for doubtful trade receivables is as follows:

| Particulars | ₹ lakhs | |
|--------------------------------------|----------------------|----------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Balance at the beginning of the year | 798.73 | 905.08 |
| Change during the year | 16.66 | (46.57) |
| Bad debts written off | | (59.55) |
| Translation Exchange difference | | (0.23) |
| Balance at the end of the year | 815.39 | 798.73 |

(f) Liquidity risk:

Liquidity risk refers to the risk that Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and to ensure that sufficient funds are available for use as per requirements.

The Company consistently generates sufficient cash flows from operations to meet its financial obligations as and when they fall due.

Notes forming part of the Financial Statements (Contd.)

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2024

₹ lakhs

| Non-derivative financial liabilities: | Due in year 1 | Due in year 2- 3 years | More than 3 years | Total |
|---------------------------------------|------------------|------------------------|-------------------|------------------|
| Trade payables | 8,560.32 | 3.58 | - | 8,563.90 |
| Other financial liabilities | 10,272.15 | - | - | 10,272.15 |
| Lease liabilities | 6,004.01 | 11,678.45 | 9,415.74 | 27,098.20 |
| Total | 24,836.48 | 11,682.03 | 9,415.74 | 45,934.25 |

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2023

₹ lakhs

| Non-derivative financial liabilities: | Due in year 1 | Due in year 2- 3 years | More than 3 years | Total |
|---------------------------------------|------------------|------------------------|-------------------|------------------|
| Trade payables | 10310.58 | 6.45 | - | 10,317.03 |
| Other financial liabilities | 12,033.03 | - | - | 12,033.03 |
| Lease liabilities | 4,235.65 | 8,461.03 | 10,072.48 | 22,769.16 |
| Total | 26,579.26 | 8,467.48 | 10,072.48 | 45,119.22 |

(g) Market risk

(a) Foreign currency exchange rate risk:

The fluctuation in foreign currency rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company.

Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar, Great Britain Pound and Euro against the functional currency of the Company.

The Company, as per its risk management policy, uses derivative instruments primarily to cover the exchange rate risks. Further, any movement in the foreign currency of the various operations of the Company against major foreign currencies may impact Company's revenue in international business.

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange risk. It covers a part of these risks by using derivative financial instruments in line with its risk management policies.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 10% against the functional currency of the Company.

The following analysis has been worked out based on the net exposures of the Company as of the date of balance sheet which could affect the statement of profit and loss and other comprehensive

Notes forming part of the Financial Statements (Contd.)

income and equity. Further the exposure indicated below is mitigated by some of the derivative contracts entered into by the Company.

The following table sets forth information relating to foreign currency exposures as at March 31, 2024 and March 31, 2023.

₹ lakhs

| As at March 31, 2024 | USD | GBP | EUR | Others* | Total |
|-----------------------------|-----------|-----------|-----------|----------|------------------|
| Trade payables | 2,255.34 | 611.08 | 401.92 | 280.42 | 3,548.76 |
| Trade receivables | 31,347.08 | 23,312.42 | 10,767.02 | 5,391.61 | 70,818.13 |
| Cash and Bank Balances | 4,610.58 | 3,249.06 | 744.26 | 1,064.08 | 9,667.98 |
| Other financial assets | 231.18 | 1,417.84 | 32.12 | 68.98 | 1,750.12 |
| Other financial liabilities | 2,875.22 | 1,684.49 | 290.38 | 234.55 | 5,084.64 |

₹ lakhs

| As at March 31, 2023 | USD | GBP | EUR | Others* | Total |
|-----------------------------|-----------|-----------|-----------|----------|------------------|
| Trade payables | 3,185.85 | 288.50 | 383.99 | 67.82 | 3,926.16 |
| Trade receivables | 33,763.55 | 17,471.15 | 14,922.98 | 4,336.68 | 70,494.36 |
| Cash and Bank Balances | 6,876.42 | 213.00 | 2,130.12 | 2,304.14 | 11,523.68 |
| Other financial assets | 33.94 | 11.46 | 62.92 | 349.10 | 457.42 |
| Other financial liabilities | 3,062.54 | 994.86 | 224.49 | 128.49 | 4,410.38 |

10% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease/ increase in the Company's profit before tax by approximately ₹ 7,427.54 lakhs for the year ended March 31, 2024 and ₹ 7,409.42 lakhs for the year ended March 31, 2023 respectively.

*Others include AED, AUD, CAD, JPY, KRW, MYR, SGD, ZAR etc.

The Company uses various derivative financial instruments governed by policies approved by the board of directors such as foreign exchange forward and option contracts to manage and mitigate its exposure to foreign exchange rates. The counter party is generally a bank. The Company can enter into contracts for period up to one year.

The following table presents the aggregate contracted principal amounts of the Company's derivative contracts outstanding:

| Foreign Currency | March 31, 2024 | | |
|------------------|-----------------|--|--------------------|
| | No of contracts | Notional amount of contracts (Currency value in lakhs) | Fair Value ₹ lakhs |
| US Dollar | 139 | 246.00 | (58.82) |
| Sterling Pound | 130 | 135.00 | 68.71 |
| Euro | 105 | 106.00 | 74.93 |
| JPY | 27 | 1,290.00 | 5.67 |
| ZAR | - | - | - |

Notes forming part of the Financial Statements (Contd.)

| Foreign Currency | March 31, 2023 | | |
|------------------|-----------------|--|--------------------|
| | No of contracts | Notional amount of contracts (Currency value in lakhs) | Fair Value ₹ lakhs |
| US Dollar | 49 | 250.00 | 190.84 |
| Sterling Pound | 35 | 135.50 | (167.32) |
| Euro | 32 | 107.00 | (65.18) |
| JPY | 18 | 600.00 | 8.69 |
| ZAR | 4 | 10.00 | (0.34) |

31. Related party transactions

The Company's material related party transactions and outstanding balances are with its group companies with whom the Company routinely enters into transactions in the ordinary course of business.

| Names of related parties | Description of relationship |
|---|--|
| Tata Sons Private Limited | Company with Controlling Interest |
| Mr. Manoj Raghavan, Managing Director | Key Managerial Personnel |
| Mr. Gaurav Bajaj, Chief Financial Officer | Key Managerial Personnel |
| Mrs. Cauveri Sriram, Company Secretary | Key Managerial Personnel |
| Mr. Adarsh Narayan Ganapathy | Relative of Key Managerial Personnel. |
| Non-Executive Directors | |
| Mr. N.G.Subramaniam | Key Managerial Personnel |
| Mrs. Shyamala Gopinath | Key Managerial Personnel |
| Mr. Sudhakar Rao | Key Managerial Personnel |
| Mr. Ankur Verma | Key Managerial Personnel |
| Prof. Anurag Kumar | Key Managerial Personnel |
| Tata Elxsi (India) Ltd. Employees Gratuity Fund | Post-employment benefit plans of the Company |
| Tata Elxsi (India) Ltd. Employees Provident Fund | |
| Tata Elxsi (India) Ltd. Employees Superannuation Fund | |
| Bowler Motors Limited | Group entities (Wherever there are transactions) |
| Jaguar Land Rover Limited | |
| Air India Limited | |
| Indusface Private Limited | |
| Jaguar Land Rover Hungary KFT | |
| OASIS Smart SIM Europe SAS | |
| Tata Advanced Systems Limited | |
| Tata Aia Life Insurance Company Limited | |
| Tata Aig General Insurance Company Limited | |
| Tata Autocomp Systems Limited | |
| Tata Capital Limited | |
| Tata Chemicals Limited | |
| Tata Class Edge-Division of Tata Industries Limited | |
| Tata Communications Limited | |

Notes forming part of the Financial Statements (Contd.)

| Names of related parties | Description of relationship |
|--|--|
| Tata Communications Transformation Services Limited | Group entities (Wherever there are transactions) |
| Tata Consultancy Services Japan, Ltd | |
| Tata Consultancy Services Limited | |
| Tata Consumer Products Limited | |
| Tata Electronics Private Limited | |
| Tata International West Asia Dmcc | |
| Tata Limited | |
| Tata Marcopolo Motors Limited | |
| Tata Motors Limited | |
| Tata Motors Passenger Vehicles Limited | |
| Tata Power Company Limited | |
| Tata Power Solar Systems Limited | |
| Tata Steel Limited | |
| Tata Technologies Europe Limited | |
| Tata Technologies Limited | |
| Tata Technologies Pte Limited | |
| Tata Teleservices (Maharashtra) Limited | |
| Tata Teleservices Limited | |
| Tata Motors Body Solutions Limited | |
| Tata Passenger Electric Mobility Limited | |
| Tata Technologies GmbH | |
| Innovative Retail Concepts Private Limited | |
| Jaguar Land Rover Ireland (Services) Limited | |
| Piem Hotels Limited | |
| Tejas Networks Limited | |
| Voltas Limited | |
| The Indian Hotels Company Limited | |
| The Indian Hotels Company Limited - Vivanta Whitefield | |

Details of related party transactions:

The transactions during the year ended March 31, 2024 and balances outstanding as at March 31, 2024.

₹ lakhs

| Particulars | Company with significant influence | Key Managerial Personnel | Relative of Key Managerial Personnel | Subsidiaries of Tata Sons Private Limited | Other related parties | Total |
|---|------------------------------------|--------------------------|--------------------------------------|---|-----------------------|-----------|
| Revenue from operations | - | - | - | 80,112.69 | - | 80,112.69 |
| Dividend paid | 15,934.93 | 1.24 | - | 638.51 | - | 16,574.68 |
| Purchase of goods, services (including reimbursement) | - | - | - | 3,952.30 | - | 3,952.30 |
| Receiving of services (Brand fee and other services) | 896.53 | - | - | - | - | 896.53 |

Notes forming part of the Financial Statements (Contd.)

₹ lakhs

| Particulars | Company with significant influence | Key Managerial Personnel | Relative of Key Managerial Personnel | Subsidiaries of Tata Sons Private Limited | Other related parties | Total |
|---|------------------------------------|--------------------------|--------------------------------------|---|-----------------------|-----------|
| Remuneration and commission (refer note-1 below) | - | 1,740.11 | 40.08 | - | - | 1,780.19 |
| Contribution to employees' post employment plan | - | 38.99 | - | - | 10,704.15 | 10,743.14 |
| Balances outstanding at the end of the year: | | | | | | |
| Trade Receivable | - | - | - | 26,144.59 | - | 26,144.59 |
| Trade Payable | 888.53 | - | - | 395.02 | - | 1,283.55 |
| Other payables | - | 1,210.00 | - | - | 852.39 | 2,062.39 |

The transactions during the year ended March 31, 2023 and balances outstanding as at March 31, 2023.

₹ lakhs

| Particulars | Company with significant influence | Key Managerial Personnel | Relative of Key Managerial Personnel | Subsidiaries of Tata Sons Private Limited | Other related parties | Total |
|---|------------------------------------|--------------------------|--------------------------------------|---|-----------------------|-----------|
| Revenue from operations | - | - | - | 52,535.34 | - | 52,535.34 |
| Dividend paid | 10,057.94 | 0.87 | - | 403.02 | - | 10,461.83 |
| Purchase of goods, services (including reimbursement) | - | - | - | 2,970.57 | - | 2,970.57 |
| Receiving of services (Brand fee and other services) | 791.51 | - | - | - | - | 791.51 |
| Remuneration and commission (refer note-1 below) | - | 1,578.53 | 32.09 | - | - | 1,610.62 |
| Contribution to employees' post employment plan | - | - | - | - | 8,424.58 | 8,424.58 |
| Balances outstanding at the end of the year: | | | | | | |
| Trade Receivable | - | - | - | 16,315.04 | - | 16,315.04 |
| Trade Payable | 791.51 | - | - | 389.03 | - | 1,180.54 |
| Other payables | - | 1,120.00 | - | - | 687.63 | 1,807.63 |

Notes forming part of the Financial Statements (Contd.)

Transactions with key management personnel are as follows:

| Particulars | ₹ lakhs | |
|-------------------------------|------------------------------|------------------------------|
| | Year ended March 31, 2024 | Year ended March 31, 2023 |
| Short-term benefits | 1,711.98 | 1,578.53 |
| Employee share based payments | 28.13 | - |
| Dividend paid during the year | 1.24 | 0.87 |
| Post-employment benefits | 38.99 | - |
| | 1,780.34 | 1,579.40 |

Transactions with key management personnel for the year ended March 31, 2023 did not include compensated absences leave, gratuity and premium paid for group health insurance, as separate actuarial valuation / premium paid were not available.

Note-1: The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

Note-2: All transactions with these related parties are priced on an arm's length basis.

32. Ind AS 116

Lease contracts entered by the Company majorly pertains for Land & buildings taken on lease to conduct its business in the ordinary course. The leases typically run for a period of 2 to 10 years, with an option to renew the lease after that date. Typically lease payments are renegotiated at the time of renewal.

a. Right of use assets

| Particulars | As at March 31, 2024 | | | Particulars | As at March 31, 2023 | | |
|--|----------------------|---------------|------------------|--|----------------------|---------------|------------------|
| | Land and buildings | Vehicle Lease | Total | | Land and buildings | Vehicle Lease | Total |
| I. Gross carrying amount | | | | I. Gross carrying amount | | | |
| a. Balance as at April 01, 2023 | 20,535.07 | 409.33 | 20,944.40 | a. Balance as at April 01, 2022 | 15,588.30 | 253.06 | 15,841.36 |
| b. Additions to right of use asset | 7,365.42 | 335.97 | 7,701.39 | b. Additions to right of use asset | 7,830.78 | 156.27 | 7,987.05 |
| c. Less: Modifications / terminations / Retirement of leases | 404.68 | 101.37 | 506.05 | c. Less: Modifications / terminations / Retirement of leases | 2,884.01 | - | 2,884.01 |
| Balance as at March 31, 2024 | 27,495.81 | 643.93 | 28,139.74 | Balance as at March 31, 2023 | 20,535.07 | 409.33 | 20,944.40 |
| II. Accumulated depreciation | | | | II. Accumulated depreciation | | | |
| a. Balance as at April 01, 2023 | 5,027.64 | 150.88 | 5,178.52 | a. Balance as at April 01, 2022 | 3,358.80 | 44.20 | 3,403.00 |

Notes forming part of the Financial Statements (Contd.)

| Particulars | As at March 31, 2024 | | | Particulars | As at March 31, 2023 | | |
|--|----------------------|---------------|------------------|--|----------------------|---------------|------------------|
| | Land and buildings | Vehicle Lease | Total | | Land and buildings | Vehicle Lease | Total |
| b. Depreciation charge for the year | 4,272.10 | 138.19 | 4,410.29 | b. Depreciation charge for the year | 3,304.07 | 106.68 | 3,410.75 |
| c. Less: Modifications / terminations / Retirement of leases | 404.68 | 72.44 | 477.12 | c. Less: Modifications / terminations / Retirement of leases | 1,635.23 | - | 1,635.23 |
| Balance as at March 31, 2024 | 8,895.06 | 216.63 | 9,111.69 | Balance as at March 31, 2023 | 5,027.64 | 150.88 | 5,178.52 |
| III. Net carrying amount (I-II) | 18,600.75 | 427.30 | 19,028.05 | III. Net carrying amount (I-II) | 15,507.43 | 258.45 | 15,765.88 |

Other disclosure w.r.t. leases:

- Interest expense (included in finance cost) for the year ended March 31, 2024 amounts to ₹ 1,959.54 lakhs (Previous year ₹ 1,583.69 lakhs)
- The total cash outflow for the year ended March 31, 2024 amounts to ₹ 4,976.76 lakhs (Previous year ₹ 3,808.45 lakhs)
- The Company incurred ₹ 492.78 lakhs for the year ended March 31, 2024 towards expenses relating to lease of low-value assets (Previous year ₹ 467.94 lakhs)

b. Lease liabilities

Maturity analysis - contractual discounted cash flows

₹ lakhs

| Year | Contractual cash flows | | | | |
|---------|------------------------|-----------|-----------|-----------|-------------------|
| | Carrying amount | Total | 0-1 years | 1-5 years | 5 years and above |
| 2023-24 | 22,398.14 | 22,398.14 | 4,279.24 | 17,176.94 | 941.96 |
| 2022-23 | 18,226.40 | 18,226.40 | 2,853.72 | 12,161.27 | 3,211.41 |

33. Contingent liabilities and commitments

₹ lakhs

| Contingent liabilities and commitments (to the extent not provided for) | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| (i) Contingent liabilities: | | |
| Claims against the Company not acknowledged as debt | | |
| Disputed demands for Income Tax aggregates. | 67.29 | 67.29 |
| (ii) Capital Commitments: | | |
| Estimated amount of contracts remaining to be executed on capital accounts and not provided for | | |
| Property, plant and equipment | 1,408.49 | 1,169.05 |
| Intangible assets | 71.05 | - |

Notes forming part of the Financial Statements (Contd.)

34. Corporate Social Responsibility

- a) Gross amount required to be spent by the Company during the year ₹ 1,260.34 lakhs (Previous year ₹ 894.00 lakhs)
- b) Amount spent during the year:

| Particulars | ₹ lakhs | |
|--|--|--|
| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
| (i) Amount required to be spent by the Company during the year | 1,260.34 | 894.00 |
| (ii) Amount of expenditure incurred on: | | |
| a) Construction/acquisition of any asset | - | - |
| b) On purposes other than (a) above | 1133.28* | 776.65* |
| (iii) Shortfall at the end of the year | 127.06 | 117.35 |
| (iv) Total of previous years shortfall | 127.06 | 117.35 |
| (v) Reason for shortfall | Project in progress | Project in progress |
| (vi) Nature of CSR activities | Promoting Education, Health Care and Environment | Promoting Education, Health Care and Environment |
| (vii) Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard | - | - |

*Includes overhead expense of ₹ 53.85 lakhs (Previous year ₹ 38.60 lakhs)

35. Ind AS 115 - Revenue

a. Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

| Particulars | ₹ lakhs | |
|----------------------|----------------|----------------|
| | March 31, 2024 | March 31, 2023 |
| Trade receivables | | |
| Billed | 82,774.70 | 85,665.90 |
| Unbilled | 14,384.14 | 11,971.65 |
| Contract assets | 9,622.23 | 4,401.22 |
| Contract liabilities | 5,212.95 | 4,340.97 |

The following table discloses the movement in contract assets during the year ended March 31, 2024 and March 31, 2023.

| Particulars | ₹ lakhs | |
|--|-----------------|-----------------|
| | Contract assets | |
| | March 31, 2024 | March 31, 2023 |
| Balance at the beginning of the year | 4,401.22 | 2,398.80 |
| Increase due to revenue recognised during the year, excluding amounts billed during the year | 61,295.28 | 35,927.03 |

Notes forming part of the Financial Statements (Contd.)

₹ lakhs

| Particulars | Contract assets | |
|---|-----------------|-----------------|
| | March 31, 2024 | March 31, 2023 |
| Invoices raised that were included in the contract as sets balance at the beginning of the year | (56,100.18) | (33,949.36) |
| Translation exchange difference | 25.91 | 24.75 |
| Balance at the end of the year | 9,622.23 | 4,401.22 |

The following table discloses the movement in contract liabilities during the year ended March 31, 2024 and March 31, 2023.

₹ lakhs

| Particulars | Contract assets | |
|---|-----------------|-----------------|
| | March 31, 2024 | March 31, 2023 |
| Balance at the beginning of the year | 4,340.97 | 4,721.47 |
| Revenue recognised that was included in the contract liability balance at the beginning of the year | (41,742.35) | (48,999.66) |
| Increase due to invoicing during the year, excluding amounts recognised as revenue during the year | 42,591.91 | 48,477.51 |
| Translation exchange difference | 22.42 | 141.65 |
| Balance at the end of the year | 5,212.95 | 4,340.97 |

During the years ended March 31, 2024 and March 31, 2023 ₹ 14,461.10 and ₹ 11,658.70 of unbilled revenue (including Contract assets) pertaining to fixed price and fixed time frame contracts as of April 01, 2023 and April 01, 2022, respectively, has been reclassified to trade receivables upon billing to customers on completion of milestones. During the years ended March 31, 2024 and March 31, 2023 the Company recognised revenue of ₹ 4,203.83 and ₹ 4,542.89 arising from opening unearned revenue as of April 01, 2023 and April 01, 2022, respectively.

b. Remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognise these amounts in revenue. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialised and adjustments for currency.

Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the Company's performance completed to date, typically those contracts where invoicing is on time and material, unit price basis and no information is provided about remaining performance obligations at March 31, 2024 that have an original expected duration of one year or less, as allowed by Ind AS 115.

The aggregate value of performance obligations that are completely or partially unsatisfied as of March 31, 2024 is ₹ 48,798.43 lakhs (March 31, 2023: ₹ 45,970.87 lakhs). Out of this, the Company expects to recognise revenue of around 50.60% (March 31, 2023: 47.11%) within the next one year and the remaining thereafter. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment, the occurrence of the same is expected to be remote.

Notes forming part of the Financial Statements (Contd.)

36. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

| | ₹ lakhs | |
|---|----------------|----------------|
| | March 31, 2024 | March 31, 2023 |
| (i) Principal amount remaining unpaid to any supplier as at the end of the accounting year | 414.53 | 3.16 |
| (ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year | - | - |
| (iii) The amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed date during the year. | 493.31 | 169.46 |
| (iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed date during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006 | - | - |
| (v) The amount of interest accrued and remaining unpaid at the end of each accounting year | - | - |
| (vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006 | - | - |

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

37. Segment information

The Chief Executive Officer and Managing Director of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108 - operating segments. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by industry classes. Accordingly, the segment information has been presented for industry classes.

The Company has identified business segments as its primary segment. Business segments are primarily system integration & support and software development & services.

Each segment item reported is measured at the measure used to report to the CODM for the purposes of making decisions about allocating resources to the segment and assessing its performance.

Revenues and expenses directly attributable to segments are reported under each reportable segment. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

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 forming part of the Financial Statements (Contd.)

₹ lakhs

| Particulars | Year to date ended | |
|---|--------------------|--------------------|
| | March 31, 2024 | March 31, 2023 |
| Segment revenue | | |
| Software development & services | 3,45,625.73 | 3,06,594.75 |
| System integration & support services | 9,588.84 | 7,877.50 |
| Total | 3,55,214.57 | 3,14,472.25 |
| Segment results | | |
| Software development & services | 1,27,733.57 | 1,06,669.67 |
| System integration & support services | 2,452.16 | 381.08 |
| Total | 1,30,185.73 | 1,07,050.75 |
| Less: Finance costs | 2,026.07 | 1,619.86 |
| Less: Unallocable expenditure (net of unallocable income) | 23,292.06 | 11,680.86 |
| Profit before tax | 1,04,867.60 | 93,750.03 |
| Tax expense | 25,643.81 | 18,230.71 |
| Net profit for the year | 79,223.79 | 75,519.32 |

The geographic segments individually contributing 10% or more of the Company's revenues are shown separately:

₹ lakhs

| Geographic wise Segment Revenues | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|----------------------------------|-----------------------------------|-----------------------------------|
| | | |
| India | 71,338.06 | 52,154.96 |
| US | 1,35,324.49 | 1,32,272.28 |
| Europe | 1,19,689.58 | 1,13,950.68 |
| Others | 28,862.44 | 16,094.33 |
| Total | 3,55,214.57 | 3,14,472.25 |

Information about major customers:

The revenues of ₹ 3,45,625.73 lakhs (Previous year ₹ 3,06,594.75 lakhs) arising from the software development and services segment includes ₹ 1,13,865.89 lakhs (Previous year ₹ 84,968.17 lakhs) representing revenue of more than 10% of the total revenue of the Company is from two customers.

38. Performance Stock Option Plan (PSOP)

Performance Stock Option Plan (PSOP) - 2023 (the Plan)

Effective March 04, 2023, the Company instituted the Plan. The Board of Directors of the Company and shareholders authorised to introduce, offer, issue and provide share based options to eligible employees of the Company at its meeting held on January 25, 2023 and March 04, 2023 respectively. The maximum number of shares under the 2023 plan shall not exceed 3,11,000 equity shares. Further, the maximum number of Options that can be granted to any specific Employee during the tenure of this Plan shall not exceed 20,000 Options.

The options would vest on achievement of defined performance parameters as determined by Nomination and Remuneration committee. The performance parameters are based on operating performance metrics of the Company as decided by Nomination and Remuneration committee. Each of the performance parameters will be distinct for the purpose of calculation of the quantity of the shares to vest based on performance. The instruments generally vests at 30-30-40 ratio over 12 to 36 months from the date of grant. Each option carries with a right to purchase one equity share of the Company at exercise price determined by Nomination and Remuneration committee at the time of grant. The exercise period is twelve months from the respective date of vesting or within three months from the resignation of employee whichever is earlier.

The movements in the options granted under the PSOP 2023 the Plan are set out below:

| PSOP 2023 the Plan | Year ended March 31, 2024 | |
|---------------------------------------|---------------------------|-------------------------------------|
| | No. of options | Weighted Average Exercise Price (₹) |
| Options outstanding at the beginning | - | - |
| Granted | 48,261 | 10.00 |
| Expired | 2,538 | 10.00 |
| Options outstanding at the end | 45,723 | 10.00 |
| Exercisable at the end | - | 10.00 |

The weighted average fair value of stock options granted during the year was ₹ 7,392.56. The Black-Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

| PSOP 2023 the Plan | Year ended March 31, 2024 |
|--------------------------------------|---------------------------|
| Exercise Price (₹) | 10.00 |
| Expected Volatility | 40.15% |
| Life of the options granted in years | 3.00 |
| Average risk-free interest rate | 6.98% |
| Expected dividend rate | 0.80% |

Total employee compensation cost pertaining to PSOP 2023 the Plan during the year is ₹ 1,502.30.

Additionally, under the existing PSOP 2023 the Plan, during the current year the Company granted 931 options to the key management personnel (Refer Note 31).

Notes forming part of the Financial Statements (Contd.)

39. The Company had in the earlier year entered into incubation agreement for providing services pertaining to promotion of business of the entrepreneurs and also providing infrastructure facilities and resources. In consideration for the services rendered shares has been allocated /transferred as under. These investments are valued at fair value through profit and loss.

| Name of the Company | No shares allotted/ transferred | Face value of shares (₹) |
|--|------------------------------------|-----------------------------|
| Big V Telecom Private Limited | 22,250 | 10.00 |
| Sismatik Solutions Private Limited | 1,000 | 10.00 |
| Street Smart Mobile Technologies Private Limited | 2,000 | 10.00 |

Considering probability of successful outcome of such development and the ability of these entities to commercialise the product being developed, as a matter of prudence the Company has recorded these investments at ₹ 1/-.

40. The sitting fee and commission for non-executive directors is sitting fee and commission ₹635.20 lakhs and ₹ 625.30 lakh for the financial year 2023-24 and 2022-23 respectively.

41. Additional Regulatory Information - Analytical Ratios

| Ratio | Numerator | Denominator | As at March 31, 2024 | As at March 31, 2023 | Variance % | Remarks |
|--|--|--|----------------------------|----------------------------|---------------|---------|
| Current Ratio (in times) | Total current assets | Total current liabilities | 5.69 | 4.83 | 18% | |
| Debt-Equity Ratio (in times) | Total debt consist of Lease liabilities | Total equity | 0.09 | 0.09 | 0% | |
| Debt Service Coverage Ratio (in times) | Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + finance cost + Other non-cash adjustments | Debt service = Interest & lease payments | 18.32 | 22.39 | (18)% | |
| Return on Equity Ratio (in%) | Net Profit for the year | Average total equity | 34.51 | 40.97 | (16)% | |
| Trade Receivables turnover ratio (in times) | Revenue from operations | Average trade receivables | 3.65 | 3.81 | (4)% | |
| Trade payables turnover ratio (in times) | Cost of materials consumed + Changes in inventories of stock-in-trade + Other expenses | Average trade payable | 6.31 | 6.25 | 1% | |

Notes forming part of the Financial Statements (Contd.)

| Ratio | Numerator | Denominator | As at March 31, 2024 | As at March 31, 2023 | Variance % | Remarks |
|---------------------------------------|--|---|----------------------|----------------------|------------|---------|
| Net capital turnover ratio (in times) | Revenue from operations | Working capital (i.e., Total current assets less total current liabilities) | 1.70 | 1.71 | (1)% | |
| Net profit ratio (in %) | Net Profit for the year | Revenue from operations | 22.30 | 24.01 | (7)% | |
| Return on Capital employed (in %) | Profit before tax and finance cost | Capital employed = Net worth + Lease liabilities + Deferred tax liabilities | 39.16 | 42.05 | (7)% | |
| Return on investment (in %) | Income generated from treasury investments | Average invested funds in treasury investments | 7.43 | 5.15 | 44%* | |

42. Dividends

During the year ended March 31, 2024, the Company paid total dividends at ₹ 60.60 and dividend of ₹ 42.5 per equity share for the year ended March 31, 2023.

Dividends declared by the Company are based on the profit available for distribution. Distribution of dividend out of General Reserve and Retained earnings.

43. The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

44. No funds have been advanced / loaned / invested (from borrowed funds or from share premium or from any other sources / kind of funds) by the Company to any other person(s) or entity(ies), including foreign entities (Intermediaries), with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

No funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding (whether recorded in writing or otherwise) that the Company shall (i) directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Notes forming part of the Financial Statements (Contd.)

45. Subsequent event note

On April 23, 2024, the Board of Directors of the Company have proposed a dividend of ₹ 70.00 per share in respect of the year ended March 31, 2024 subject to the approval of shareholders at the Annual General Meeting.

for B S R & Co. LLP*Chartered Accountants*

Firm Registration No.: 101248W/W-100022

Sanjay Sharma

Partner

Membership No.: 063980

Bengaluru, April 23, 2024

for and on behalf of the Board

N G Subramaniam

Chairman

DIN: 07006215

Gaurav Bajaj

Chief Financial Officer

Bengaluru, April 23, 2024

Manoj Raghavan

Managing Director

DIN: 08458315

Cauveri Sriram

Company Secretary

Notes

About this Report

This report is aligned with the International Integrated Reporting Council's (IIRC) globally accepted framework. Tata Elxsi Limited ('Tata Elxsi' or 'the Company') aims to strengthen its communication to the stakeholders with respect to material activities, value creation process, business highlights and future prospects. The report also follows and adopts guidelines laid out by SEBI with respect to Annual Report.

Scope and Boundary

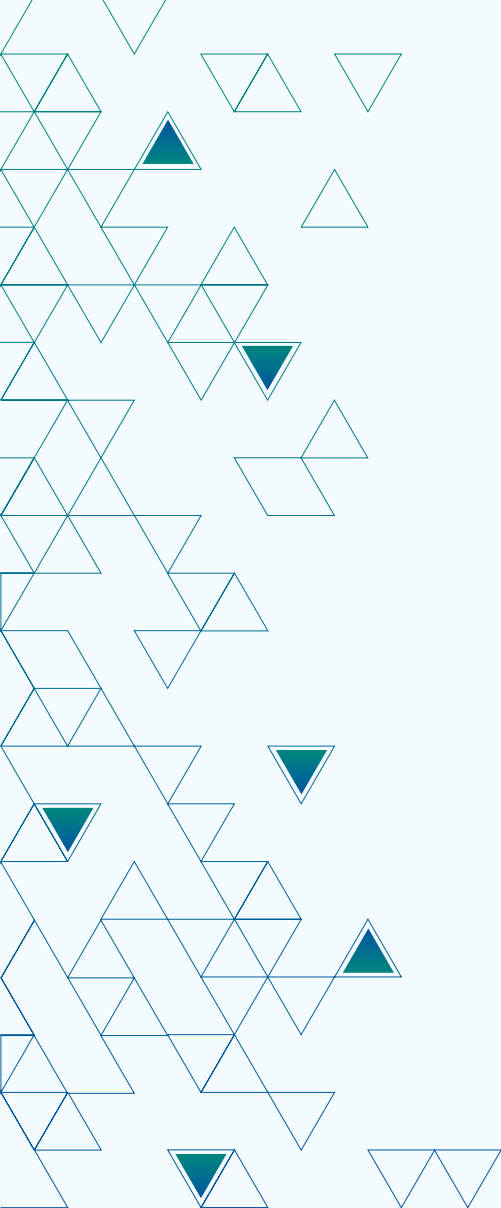
This annual report comprises of all the relevant aspects of operations of Tata Elxsi Limited. It also consists of the desired statutory disclosures and audited annual financial statements for the year ended March 31, 2024.

Frameworks

The content and structure of our Annual Report is guided by the framework endorsed by the Integrated Reporting Council. Besides, the Company fully complies with the NSE and BSE listings as well SEBI compliances. It is committed to embracing best practices in reporting to ensure transparency and better stakeholder engagement.

Assurance

Tata Elxsi Limited Board of Directors and its subcommittees have reviewed the Report and have satisfied themselves of the materiality, accuracy, and balance of disclosures in this Report. The Board has not sought independent assurance of the Report, other than for the annual financial statement and the core parameters of Business Responsibility and Sustainability Report (Reasonable Assurance).



TATA ELXSI

Tata Elxsi Limited
ITPB Road Whitefield Bengaluru 560 048
India
(CIN-L85110KA1989PLC009968)

Tel +91 80 2297 9123
www.tataelxsi.com

For information or queries, please contact:
investors@tataelxsi.com

