TATA ELXSI





engineering creativity

Annual Report 2013 - 14

Industries **Addressed**



Message from the **Chairman**



Dear Shareholder,

Your Company has reported a total income of ₹ 787.8 crores in FY 13-14 as against ₹ 626.5 crores in the FY 12-13, registering an increase of 26%.

During the year under review, Your Company's concerted effort in growing its revenues from the embedded and industrial design services, focussing on solutions and services in the systems integration business, and containing costs of its animation and visual effects business, resulted in improved top line and bottom line performance, with Profit Before Tax rising from 33.4 crores in FY 12-13 to 112.2 crores in FY 13-14.

The company has renewed its thrust in the Software and Services business segment for Embedded Product Design and Industrial Design. These services are geared to deliver growth in line with industry trends.

The integrated technology and design capabilities of Your Company were best exemplified by a prestigious project for a leading International Automotive OEM to design and develop a complete Electronic Control Unit (ECU) including hardware and software for a hybrid electric vehicle. The hybrid vehicle was successfully released in the market in June 2013.

Your Company also supported India's Mars Orbiter mission – Mangalyaan, by designing the Data Control Hardware that was installed in the Mars Orbiter and launched into space on November 5th, 2013.

The Industrial Design division helps customers deliver a superior product or service through design. In the case of products, this includes the form, color, branding and textures; as well as the way the product interfaces with the user.

Your Company worked with GVK to design the experiential services for various consumer

touch points at Mumbai International Airport's new integrated Terminal 2, and helped redefine the passenger experience, while enhancing efficiency and productivity for the airport staff at T2.

Another prestigious project was for the St. James' Court, A Taj Hotel and Taj 51 Buckingham Gate Suites and Residences, London, UK. This involved developing the brand identity for both the hotels and designing various customer touch points to reflect the new visual identity.

Visual Computing Labs (VCL) delivered major projects for Animation and Visual effects for two feature films this year. VCL won the coveted 59th Filmfare Award and the Star Guild Award 2014 for Best Visual Effects for its work in Dhoom 3. It was also recognized for its stellar work in delivering Visual Effects for Bhaag Milkha Bhaag.

The Indian IT industry is facing some challenges due to the changes in immigration policies in countries such as US and UK that increases the cost of deploying resources in those regions, and the risks of financial impact due to strengthening of the Indian Rupee against major foreign currencies.

However, your company looks forward to profitable growth, leveraging its focus on select industry segments, key customers and geographies, while controlling costs of operations towards improved margins.

I am pleased to inform you that your Company's Board of Directors has recommended a final dividend of ₹ 9 per share, enhancing dividends and returns to shareholders. Thank you for your continued commitment and trust in the company.

S Ramadorai

Financial **Highlights**



Earnings Per Share

Book Value Per Share

Dividend Per Share

23.21

75.70

9.00

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Business Divisions

Embedded Product Design

Tata Elxsi provides technology consulting, product development and testing services for leading product companies, service providers and start-ups. This is backed by an in-depth understanding of technology, a large multi-disciplinary product development team, mature processes and systems.

We also create and license intellectual property and software components, helping customers create product differentiation and reduce development costs and time-to-market.

We address product engineering for the Broadcast, Consumer Electronics, Medical Electronics, Telecom and Transportation industries.



Design and development of complete Electric Control Unit (ECU) for a hybrid vehicle



Development of a Data Control Hardware for Vikram Sarabhai Space Centre (VSSC) for India's first ever Mission to Mars



Ultra High Definition (UHD) Decoder for next-gen content delivery

Industrial Design

Tata Elxsi helps customers develop successful brands and products by using design as a strategic tool for business success.

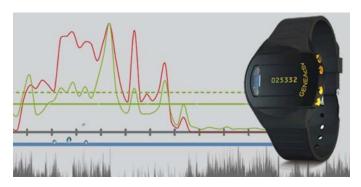
We cater to a broad spectrum of industries like Automotive, Communications, Consumer products, Healthcare and Retail.

Our services include research & strategy, branding & graphic design, product design, packaging design, UI design, retail design & signage, transportation design, design engineering and prototype development.

We have supported the launch of multiple brands and products across the world. We have won several international awards and patents for design and innovation.



Creating a unique passenger experience at Mumbai's new integrated T2



Design of a wearable healthcare device for a leading European company



Intuitive concept user experience for cars - The AGL "Best User Experience" award winner

Business Divisions

Visual Computing Labs

Tata Elxsi provides Animation and Visual Effects (VFX) services for feature films and episodic television. We also support advertising and marketing by providing these services for TV Ad Commercials and corporate videos for visualization and new product launches.

We have a world-class studio in India and a creative team that includes national and international award winning professionals.

We have won the coveted 59th Filmfare Award and the Star Guild Award 2014 for "Best Visual Effects for a Feature Film" for our work in Dhoom 3 and have been acclaimed for the stellar work in delivering visual effects for Bhaag Milkha Bhaag.



Winner of the 59th Filmfare Award "Best Visual Effects" and winner of the "Best Visual Effects" at the Star Guild Awards 2014



Rekindling the magic of old times in 'Bhaag Milkha Bhaag'

Systems Integration

Tata Elxsi implements and integrates complete systems and solutions for Broadcast, CAD/CAM/CAE/PLM, Disaster Recovery, High-Performance Computing, Storage and Virtual Reality.

We address the Broadcast, Defence, Education, Government and Manufacturing sectors with an expert team of integration specialists and support engineers located across a wide network of offices. This is backed by strategic partnerships with best-in-class software and technology providers.

We also provide Professional Services, extending maintenance and support services for data mining, storage, IT facilities and network management in India and overseas.





Integration of Virtual Reality systems for R&D and manufacturing

Board of **Directors**

as on 22nd April, 2014

Mr. S Ramadorai Chairman

Mr. P McGoldrick

Mr. P G Mankad

Dr. R Natarajan

Mrs. S Gopinath

Mr. Madhukar Dev Managing Director

Statutory **Committees**

(Pursuant to the Listing Agreement with the Stock Exchanges)

Audit Committee

Mrs. S Gopinath Chairperson

Mr. S Ramadorai

Dr. R Natarajan

Investor Grievance Committee

Mr. P G Mankad Chairman

Dr. R Natarajan

Mr. G Vaidyanathan Company Secretary

Registrars & Share Transfer Agents

TSR Darashaw Limited 6-10, Haji Moosa Patrawala Ind. Estate 20, Dr. E. Moses Road, Mahalaxmi Mumbai - 400 011

Auditors

Deloitte Haskins & Sells Chartered Accountants

Registered & Corporate Office

Tata Elxsi Limited ITPB Road Whitefield Bangalore 560 048 India



NOTICE

Notice is hereby given that the TWENTY FIFTH ANNUAL GENERAL MEETING of TATA ELXSI LIMITED will be held at Devraj Urs Bhavan (behind Dr. Ambedkar Bhavan) 16D, Millers Tank Bed Area, Vasanthanagar, Bangalore 560 052, on Friday, 18th July, 2014 at 12.30 p.m. to transact the following business:

- 1. To receive and adopt the Audited Statement of Profit and Loss for the year ended March 31, 2014 and the Balance Sheet as at that date together with the Cash Flow Statement and the reports of the Directors and Auditors thereon.
- 2. To declare dividend for the year ended 31st March, 2014.
- 3. To appoint auditors to hold office for a period of three years from the conclusion of this Annual General Meeting upto the conclusion of 28th Annual General Meeting to be held in the year 2017 (subject to ratification of their appointment at every AGM) and to fix their remuneration.

Special Business

- 4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
 - "RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed thereunder read with Schedule IV to the Act, as amended from time to time, Mrs. Shyamala Gopinath, holding DIN 02362921, a non-executive director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company, with effect from 18th July, 2014 upto 17th July, 2019."
- 5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
 - "RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed thereunder read with Schedule IV to the Act, as amended from time to time, Dr. R. Natarajan, holding DIN 00001638, a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company, with effect from 18th July, 2014 upto 9th January, 2016."
- 6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
 - "RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed thereunder read with Schedule IV to the Act, as amended from time to time, Mr. Piyush G Mankad, holding DIN 00005001, a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company, with effect from 18th July, 2014 upto 18th November, 2016."
- 7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
 - "RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed thereunder read with Schedule IV to the Act, as amended from time to time, Mr. Patrick McGoldrick, holding DIN 00407203, a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company, with effect from 18th July, 2014 upto 17th July, 2019."

8. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013 [corresponding Section 198, 269, 309 and other applicable provisions, if any, of the Companies Act 1956 read with Schedule XIII of the Companies Act, 1956], the Company hereby approves the re-appointment of Mr. Madhukar Dev (DIN:00082103) as Managing Director & CEO of the Company for a period of three (3) years commencing from January 16, 2014 upto January 15, 2017 on the terms and conditions, as contained in the draft agreement to be executed between the Company and Mr. Madhukar Dev, set out in the Explanatory Statement annexed to the Notice."

"RESOLVED FURTHER THAT notwithstanding anything to the contrary contained herein, where in any financial year during the currency of the tenure of Mr. Madhukar Dev the Company has no profits or its profits are inadequate, the Company will, subject to the approval of the Central Government, if any, continue to pay remuneration by way of salary, incentive remuneration and perquisites & allowances as set out in the Explanatory Statement."

"RESOLVED FURTHER THAT the Board of Directors of the Company or a Committee thereof, be and is hereby authorized to alter and vary the terms and conditions of the said re-appointment in such manner as may be agreed and to do all such acts, deeds, matters and things as may be necessary, proper and expedient to give effect to this resolution."

Mumbai, April 22, 2014

By Order of the Board For **Tata Elxsi Limited**

Registered Office: ITPB Road, Whitefield Bangalore - 560 048 CIN:L85110KA1989PLC009968

G Vaidyanathan Company Secretary

NOTES:

- a) The relevant details of the persons seeking re-appointment/appointment as Director under Item Nos. 4,5,6 and 7 above, pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchanges is annexed hereto.
- b) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. The instrument appointing proxy, in order to be effective, must be deposited at the Company's Registered Office duly completed and signed not less than FORTY-EIGHT Hours before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
- c) Members desirous of getting any information in respect of Accounts of the Company are requested to send their queries in writing to the Company at the Registered Office, so as to reach at least 7 days before the date of the Meeting, so that the required information can be made available at the Meeting.
- d) Members/Proxies attending the Meeting are requested to bring their copy of the Annual Report for reference at the Meeting as also the Attendance Slip duly filled in for attending the Meeting.
- e) Register of Members and Transfer Books of the Company will be closed from 11th July, 2014 to 18th July, 2014 (both dates inclusive) for the purpose of determining the shareholders entitled to the payment of Dividend declared at the Annual General Meeting on 18th July, 2014 for the year ended 31st March, 2014.
 - Dividend on shares, when declared, will be paid only to those members whose names are registered as such in the Register of Members of the Company, after giving effect to valid share transfers in physical form lodged with the Company, on or before 10th July, 2014 and to the Beneficial Holders as per the Beneficiary List as on 10th July, 2014 provided by the depositories, NSDL and CDSL.



- f) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
- g) Electronic copy of the Annual Report 2013-14 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report 2013-14 is being sent in the permitted mode.
- h) Members may also note that the Notice of the 25th Annual General Meeting and the Annual Report 2013-14 will also be available on the Company's website www.tataelxsi.com for their download. The physical copies of the aforesaid documents is also be available at the Company's Registered Office in Bangalore for inspection during normal business hours on any working days. Members, who registered their emails for receiving all communication by electronic means are also entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's dedicated investor email @ investors@tataelxsi.com.
- i) Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing the members facility to exercise their right to vote at the 25th Annual General Meeting (AGM) by electronic means through e-Voting Services provided by National Securities Depository Limited (NSDL):

The instructions for e-voting are as under:

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/ Depository Participants(s)]:
 - (i) Open email and open PDF file viz; "Tata Elxsi e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com
 - (iii) Click on Shareholder Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
 - (vii) Select "EVEN" (E-Voting Event Number) of Tata Elxsi Limited.
 - (viii) Now you are ready for e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to telscrutinizer@gmail.com or evoting@tataelxsi.co.in with a copy marked to evoting@nsdl.co.in
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:
 - (i) Initial password is provided at the bottom of the Attendance Slip for the AGM : EVEN (E-Voting Event Number) USER ID PASSWORD/PIN
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

Other Instructions:

- (i) 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 downloads section of www.evoting.nsdl.com.
- (ii) If you are already registered with NSDL for e-voting then you can use your existing user ID and password/ PIN for casting your vote.
- (iii) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- (iv) The e-voting period commences on 10th July, 2014 (9:00 am) and ends on 12th July, 2014 (6:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 13th June, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (v) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 13th June, 2014.
- (vi) Mrs. Jayashree Parthasarathy, Practicing Company Secretary (Membership No. 4610) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (vii) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (viii) The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.tataelxsi.com and on the website of NSDL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to BSE and NSE.
- j) All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days, upto and including the date of the Annual General Meeting of the Company.
- k) Members holding shares in electronic form may please note that as per the regulations of National Securities Depository Ltd (NSDL) and Central Depository Services (India) Limited (CDSL), the Company is obliged to print the bank details on the dividend warrants as furnished by these Depositories to the Company and the Company cannot entertain any request for deletion/change of bank details already printed on dividend warrants as per information received from the concerned Depositories. In this regard, Members should contact their Depository Participant (DP) and furnish particulars of any changes desired by them.
- I) Members who have not received their dividend paid by the Company in respect of earlier years, are requested to check with the Company's Registrars & Transfer Agents i.e. M/s. TSR Darashaw Limited, 6-10 Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011. Members are requested to note that in terms of Section 205C of the Companies Act, 1956 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.

Members who have not yet encashed their dividends for the financial year ended 31st March, 2007 onwards are being individually intimated and are requested to make their claims to the Company's Registrars & Transfer Agents accordingly, without delay. It may be noted that the unclaimed dividend for the financial year ended 31st March, 2007 and 31st March, 2008 are due for transfer to the "Investor Education & Protection Fund" on 1st September, 2014 and 27th August, 2015 respectively.



EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (CORRESPONDING SECTION 173(2) OF THE COMPANIES ACT, 1956)

The following Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, ('the Act') sets out all material facts relating to the business mentioned at Item Nos.4,5,6,7 and 8 of the accompanying Notice:

Item Nos. 4 to 7

The Company in compliance to the requirements of clause 49 of the Listing Agreement entered into with the Stock exchanges, has appointed Independent Directors at various dates. Mrs. S. Gopinath, Dr. R. Natarajan, Mr. Piyush G Mankad and Mr. Patrick McGoldrick are presently, the Independent Directors on the Board. As per the provisions of Section 149 of the Companies Act, 2013 ("Act") which has come into force with effect from 1st April, 2014, an Independent Director shall hold office for a term upto five consecutive years on the Board of a company and is not liable to retire by rotation.

The Nomination and Remuneration Committee (the then Remuneration Committee) has recommended the appointment of these directors as Independent Directors from July 18, 2014 upto July 17, 2019 (except Dr. R. Natarajan who retires on January 9, 2016 and Mr. P. Mankad who retires on November 18, 2016 in accordance with the retirement age policy for Directors of the Company).

Mrs. Gopinath, Dr. Natrajan, Mr. Mankad and Mr. McGoldrick non-executive directors of the Company, have given declarations to the Board that they meet the criteria for independence as provided under section 149(6) of the Act. In the opinion of the Board, each of these directors fulfil the conditions specified in the Act and the Rules framed thereunder, for appointment as Independent Director and they are independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day of the Company.

Brief profile of the Independent Directors is given below:

Mrs. S. Gopinath, aged 65 years, ex-Deputy Governor of RBI, is a M.Com and Associate of Indian Institute of Banking and has more than 39 years of experience in financial sector and policy formulation in different capacities at the Reserve Bank of India. As Deputy Governor for seven years and member of the Board, she had been guiding and influencing the national policies in the diverse areas of financial sector regulation and supervision, development and regulation of financial markets, capital account management, and management of government borrowings, forex reserves management, RBI accounts and payment and settlement systems.

She was on deputation to the IMF during 2001-2003 and has participated in FSAP and other missions. She represented the Reserve Bank on the Financial Stability Board & other committees and during the crucial post-crisis period in 2009 at the G20 as the Central Bank Deputy.

Post her retirement in June 2011 from Reserve Bank she holds the position of independent director in companies in public and private sector. She chairs the Board of Clearing Corporation of India Limited, Clearing Dealing Systems (India) Limited and the Corporate Bonds and Securitisation Advisory Committee of SEBI. The details of directorship in other Companies are given in the Annexure to the notice. She was appointed as a Director on the Board of Tata Elxsi Limited on and from 18th August, 2011.

Dr. R. Natarajan, aged 73 years, is B.E, M.E, Ph.D, M.A.Sc. He received his B.E. degree in Mechanical Engineering from the University Visvesvaraya College of Engineering (of the then Mysore University). Subsequently he obtained the M.E. degree of the Indian Institute of Science, Bangalore; and the M.A.Sc and Ph.D degrees from the University of Waterloo, Canada. He has worked as a National Research Council Fellow in Canada, and as a Humboldt Research Fellow in Germany. He served as The Director of the Indian Institute of Technology, Madras from 1995 to 2001, and as the Chairman of The All India Council for Technical Education, a statutory body of the Government of India, from 2001 to 2004. He was the Vice–President of The Indian National Academy of Engineering during 2002-2006, and the Chairman of the Research Council of the Central Fuel Research Institute, Dhanbad during 1995-2005. He was a Member of the India – China Eminent Persons Group during 2002-2004. He is currently the Chairman of the Board for IT Education Standards of Karnataka, and the Co-Chairman of the Engineering Education Forum of the Indian National Academy of Engineering. He has been conferred several Awards and Honours, including: "Dr. Homi J. Bhabha Award" of The Indian Science Congress, 2002; "System Society of India Gold Medal", 2002; "Outstanding Contribution Award for Quality in Education" of The Quality Circle Forum of India; "Eminent

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Engineer Award" of The Institution of Engineers (India). He is a Fellow of: Indian National Academy of Engineering, Indian Society for Technical Education, National Academy of Social Sciences, Institution of Engineers (India), Indian Institution of Plant Engineers, National Foundation of Indian Engineers, Indian Institution of Materials Management and Madras Science Foundation.

He has been conferred Honorary Doctorate Degrees by: The University of South Australia, Jawaharlal Nehru Technological University (A.P.), Kanpur University (U.P.), Nagarjuna University (A.P.), Purvanchal University (U.P.) and NIT, Agartala.

He has been a Member of the Editorial Boards of: Fuel (London), Fuel Science and Technology, Indian Journal of Technical Education, and Staff and Educational Development International; Editor of: The Journal of The Steam and Fuel Users' Association of India, and The Journal of Plant Engineering. He is currently on the Editorial Board of: International Journal of Engineering Education and of the Journal of Engineering Education (published by The American Society for Engineering Education). He was appointed as a Director on the Board of Tata Elxsi Limited on and from 24th January, 2006. The details of his directorship in other Companies are given in the Annexure to the notice.

Mr. Piyush G Mankad, aged 73 years, is a retired civil servant with a distinguished career of over forty years in the prestigious Indian Administrative Service, which he joined in 1964, topping his batch. He was educated at Delhi University, where he did M.A. (History) from St. Stephen's College, in 1963, topping the University, and later at Cambridge, UK, where he obtained a postgraduate Diploma in Development Studies, with Distinction, in 1972. Some of the important positions that he has held include those of Counsellor (Economic) in the Indian Embassy, Tokyo; Controller of Capital Issues, Ministry of Finance; Finance Secretary, Government of India; and Executive Director for India and Board Member, Asian Development Bank, Manila, which was his last assignment till July 2004. His areas of experience and expertise include, among others, public finance and policy; capital market regulation and development; promotion of industry, foreign direct investment and infrastructure; and public administration.

He is also on the Board several highly reputed companies including some in the Tata Group, and he also chairs the Board of Heidelberg Cements India Limited. He was appointed as a Director on the Board of Tata Elxsi Limited on and from 2nd September, 2004. The details of his directorship in other Companies are given in the Annexure to the notice.

Mr. Patrick McGoldrick, aged 65 years, has over 40 years of experience in engineering and information technology. He holds a Master's degree in Computer Science from Stanford University, USA and completed the Harvard Business School Advanced Management Program (AMP 109). He has spent 11 years at Lawrence Livermore National Laboratory in the United States where he had technical responsibility for several complex information systems projects. He also consulted to computer companies throughout the United States on project management, advanced products, multiprocessor computer systems, man-machine interfaces and improved software productivity. The details of his directorship in other companies are given in the Annexure to the notice. He was appointed as a Director on the Board of Tata Elxsi Limited on and from 12th January, 1993.

Mrs. Gopinath, Dr. Natarajan, Mr. Mankad and Mr. McGoldrick, their respective relatives are concerned or interested in the resolutions of the accompanying Notice relating to their respective appointments.

Item No. 8

- 1. Members at the Annual General Meeting of the Company held on July 22, 2011 had re-appointed, Mr. Madhukar Dev as the Managing Director & CEO of the Company for a period of 3 years effective January 16, 2011. His present term of appointment expired on January 15, 2014.
- 2. On the recommendation of the Nomination Committee and the Remuneration Committee, the Board of Directors of the Company vide circular resolution dated January 9, 2014, subject to the approval of the Members, has unanimously approved the re-appointment of Mr. Madhukar Dev, as the Managing Director & CEO of the Company for a period of 3 years from January 16, 2014 to January 15, 2017 on the same terms and conditions.

The terms of re-appointment of Mr. Madhukar Dev inter alia, include the following:

- i. **Nature of Duties:** Subject to the supervision and control of the Board of Directors of the Company, the Managing Director & CEO shall be in charge of the affairs of the Company and exercise such functions and powers as shall from time to time be entrusted to him by the Board of Directors.
- ii. Period of Agreement: From 16th January, 2014 to 15th January, 2017.



- iii. Remuneration: ₹ 375,125/- per month, up to a maximum of ₹ 10,00,000/- per month with authority to the Board or Committee of Board, to fix the salary within the above maximum amount from time to time. The annual increments which will be effective 1st April each year, will be decided by the Board and will be merit-based and take into account the Company's performance as well. In addition, the Managing Director & CEO shall also be entitled to commission and/or incentive remuneration, if any, benefits, perquisites & allowances as may be decided by the Board/Committee of Board from time to time.
- iv. **Minimum Remuneration:** Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Managing Director & CEO, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, incentive remuneration and perquisites & allowances as specified above.
- v. **Termination:** The appointment of the Managing Director & CEO may be terminated either by the Company or the Managing Director & CEO by giving six month notice or the Company paying six months remuneration in lieu of such notice.
 - The employment of the Managing Director & CEO may be terminated by the Company without notice or payment in lieu of notice if (i) he is found guilty of any gross negligence, default or misconduct with or affecting the business of the Company, its subsidiaries or associates, (ii) in the event of any serious or repeated or continuing breach (after prior warning) or non-observance of any stipulations contained in the terms of his appointment, or (iii) in the event the Board losses confidence in him.
- vi. The terms and conditions of the said appointment and/or agreement may be altered and varied from time to time by the Board as it may, in its discretion, deem fit, within the maximum amount payable to the Managing Director & CEO.
- vii. If at any time the Managing Director & CEO ceases to be a Director for any cause whatsoever, he shall also cease to be the Managing Director & CEO of the Company.
- viii. If at any time the Managing Director & CEO ceases to be the Managing Director of the Company for any cause whatsoever, he shall also cease to be a Director of the Company.
- ix. The Managing Director & CEO shall not be entitled to supplement his earnings under the agreement with any buying or selling commissions. He shall not also become interested or otherwise concerned directly or through his wife or minor children in any selling agency of the Company, without prior approval of the Central Government.
- x. All Personnel Policies of the Company and the related Rules which are applicable to other employees of the Company shall also be applicable to the Managing Director & CEO, unless specifically provided otherwise.
- xi. The Managing Director & CEO is being appointed as a Director by virtue of his employment in the Company and his appointment shall be subject to the provisions of Section 167(c) & (d) (corresponding section 283(1)(i) of the Companies Act, 1956).
- xii. The Managing Director shall not have the following powers:
 - a. to make calls on members in respect of moneys unpaid on shares in the Company;
 - b. to issue debentures;
 - c. to invest funds of the Company in shares, stocks and securities; and
 - d. to buy back shares of the Company.
- 3. None of the Directors, Key Managerial Personnel and/or their relatives, except Mr. Madhukar Dev and his relatives, is concerned or interested in Item No. 8 of the Notice.
- 4. The Directors recommend the resolution at Item No. 8 of the accompanying Notice for approval of the Members of the Company.
- 5. The Abstract of the terms of appointment of Managing has been sent to the members pursuant to section 302 of the Companies Act, 1956.
- 6. The draft agreement to be entered into between the Company and Mr. Madhukar Dev is available for inspection at the Registered office of the Company on any working day between 11.00 a.m. and 1.00 p.m.

ANNEXURE

Information pursuant to Clause 49 of the Listing Agreement regarding appointment of a new Director or re-appointment of a Director

Name of the Director	Dr. R. Natarajan	Mrs. Shyamala Gopinath	Mr. P. G. Mankad	Mr. Patrick McGoldrick
Date of Birth	9th January, 1941	20th June, 1949	18th November, 1941	8th September, 1949
Date of appointment	24th January, 2006	18th August, 2011	2nd September, 2004	12th January, 1993
Specialised Expertise	General Management	General Management	General Management	Computer Science
Qualifications	B.E, M.E, Ph.D, M.A.Sc	M.Com, Associate of Indian Institute of Banking	M.A. (History), IAS	Master Degree in Computer Science from Stanford University, USA. Advanced Management Program 109 from Harvard Business School.
Directorships of other companies* as at	IP Rings Limited (Director)	Clearing Corporation of India Limited (Chairperson)	Tata International Limited (Director)	Tata Technologies Limited
31st March, 2014		Clearing Dealing Systems (India) Limited (Chairperson)	DSP Blackrock Investment Managers Limited (Director)	
		Indian Oil Corporation Limited (Director)	Mahindra & Mahindra Financial Services Limited (Director)	
		Gas Authority of India Limited (Director)	Hindustan Media Ventures Limited (Director)	
		E.I.D Parry (India) Limited (Director)	ICRA Limited (Director)	
			Noida Toll Bridge Company Limited (Director)	
			Heidelberg Cements India Limited (Chairman)	
			Tata Power Company Limited (Director)	
Chairmanship/ Membership of other	Chairperson – Audit Committee	Chairperson – Audit Committee	Chairperson – Audit Committee	Chairperson – Audit Committee
Committees**	Nil	Indian Oil Corporation Limited	NIL	NIL
as at	Member- Audit Committee	Member – Audit Committee	Member – Audit Committee	Member – Audit Committee
31st March, 2014	IP Rings Limited	Clearing Corporation of India Limited	Heidelberg Cements India Limited	NIL
		Clearing Dealing Systems (India) Limited	Tata International Limited	
		Gas Authority of India Limited	Mahindra & Mahindra Financial Services	
			Ltd	
			Noida Toll Bridge Company Limited	
			Tata Power Company Limited	
			DSP Blackrock Investment Managers Limited	
			ICRA Limited	
	Chairperson - Shareholders /	Chairperson - Shareholders / Investors	Chairperson - Shareholders / Investors	Chairperson - Shareholders /
	Investors Grievance Committee		Grievance Committee	Investors Grievance Committee
	Nil	Indian Oil Corporation Limited	Heidelberg Cements India Limited	NIL
	Nil	Gas Authority of India Limited		M 1 61 1 1 1 1 1 1
	Member – Shareholders / Investors Grievance Committee	Member – Shareholders / Investors Grievance Committee	Member – Shareholders / Investors Grievance Committee	Member – Shareholders / Investors Grievance Committee
			Noida Toll Bridge Company Limited	NIL
No. of shares held in the Company as on 31st March, 2014	NIL	NIL	NIL	NIL

^{*} Excludes private/foreign companies

^{**} Only Audit and Shareholders/Investors Grievance Committee considered



DIRECTORS REPORT TO THE MEMBERS

1. Your Directors present the Twenty-Fifth Annual Report, along with the Audited Statements of Accounts of your Company, for the year ended March 31, 2014.

2. Financial Highlights:

During the financial year 2013-14, the operations of your Company resulted in the following:

(₹ Crores)

	Unconsc	Unconsolidated Consolidat		idated
	2013-14	2012-13	2013-14	2012-13
Sales and Service	772.10	604.68	774.79	621.67
Other income	15.68	6.23	12.54	4.84
Total Income	787.78	610.91	787.33	626.51
Profit before financial expenses, depreciation and exceptional items	151.81	75.29	149.01	76.90
Less: Financial expenses	1.83	3.91	1.83	3.91
Depreciation	34.99	23.72	34.99	23.72
Exceptional Items	_	15.90	_	15.90
Profit for the year	114.99	31.76	112.19	33.37
Less: Provision for Income tax	39.88	10.77	39.93	10.99
Share of loss from associate Company	_	_	_	1.07
Profit after tax	75.11	20.99	72.26	21.31
Add: Profit brought forward	111.36	111.09	114.24	113.65
Balance available for appropriation which has been appropriated as under:	186.47	132.08	186.50	134.96
Proposed dividend	28.02	15.57	28.02	15.57
Dividend tax thereon net of reversal thereof	4.11	2.65	4.11	2.65
Transfer to General Reserve	8.00	2.50	8.00	2.50
Balance of profit carried to Balance Sheet	146.34	111.36	146.37	114.24
Total appropriations	186.47	132.08	186.50	134.96

3. Dividend:

Your Directors recommend for your approval, a dividend of 90% (₹ 9 per share) [previous year 50% (₹5.00 per share)] for the year ended 31st March 2014, involving an outgo of ₹ 28.02 crores compared to ₹ 15.57 crores in the previous year. Additionally, the dividend distribution tax will involve an outlay of ₹ 4.11 crores compared to ₹ 2.65 crores in the previous year. The total payout ratio is 43% for this year as compared to 87% in the previous year.

4. Review of Operations:

The total consolidated income during the year under review was ₹ 787.33 crores as against ₹ 626.51 crores in the previous year, registering an increase of 26%.

The Profit Before Tax (PBT) was ₹ 112.19 crores, as against ₹ 33.37 crores in the previous year. The Profit Before Tax increased by 236% over the previous year. The Profit After Tax (PAT) was ₹ 72.26 crores, as against ₹ 21.31 crores in the previous year, registering an increase of 239%.

During the year under review, your Company's concerted effort in growing its revenues from the embedded and industrial design services, focusing on solutions and services in the systems integration business, and containing costs of its animation and visual effects business, resulted in improved top line and bottom line performance.

More details are set out in the attached Management Discussion and Analysis Statement.

A business-wise analysis of your Company's two main segments viz. Software Development & Services and Systems Integration & Support follow hereunder:

Software Development & Services:

The services constituting this segment are Embedded Product Design, Industrial Design and Visual Computing Labs. This segment reported revenue of ₹ 682.70 crores in FY14 against ₹ 552.95 crores in the previous year, registering an increase of 23% over the previous year. The segment's profit was ₹ 137.90 crores.

Embedded Product Design

The Embedded Product Design helps customers develop electronic products by providing design of hardware, implementation of technologies such as audio, video, imaging and connectivity onto the hardware, and developing software applications and user interface that enable users to use the product and its functionality with ease and convenience. It addresses the automotive, aerospace, broadcast, consumer electronics, communications, healthcare, and semiconductor industries.

Embedded Product Design division worked with a leading Japanese automotive OEM to design and develop a complete Electronic Control Unit (ECU) for a hybrid electric vehicle, including software and hardware. The hybrid vehicle was successfully released in the market in June 2013.

The division supported India's Mars Orbiter mission – Mangalyaan, by designing the Data Control Hardware which was installed in the Mars Orbiter and launched into space on November 05, 2013.

The division announced the licensing of its in-house developed Ultra High Definition (UHD) video decoder software to a US based company, which will enable very high-quality video on embedded devices.

Your Company participated in leading industry events such as the International Broadcast Conference (IBC) – Amsterdam, Consumer Electronics Show (CES) - Las Vegas and Mobile World Congress (MWC) – Barcelona, to showcase its capability and innovations to the global market. It also presented technical papers on topics such as next-generation vehicle security at the VDI conference in Germany.

Industrial Design

The Industrial Design division helps customers deliver a superior product or service through design. In the case of products, this includes the form, color, branding and textures, as well as the way the product interfaces with the user. The division also help customers improve their service delivery by studying, analyzing, and providing design interventions that improve end-user experience at every touch point.

It worked with GVK to design the experiential services for various consumer touch points at Mumbai International Airport's new integrated Terminal 2, and helped redefine the passenger experience, while enhancing efficiencies and productivity for the airport staff at T2. As part of this project, the division designed entertainment zones, customer service zones, general and lifestyle seating areas from the security to the boarding gates. Other elements included designing pay/help phones, charging stations, housing of ATM vending machine, internet workstations/ kiosks amongst others

The division worked with St. James' Court, A Taj Hotel and Taj 51 Buckingham Gate, Suites and Residences to redefine the visual identity of the hotel. This involved developing the brand identity for both the hotels. Over 100 collaterals were designed including stationery, promotional collaterals, amenities, and service and communication collaterals amongst others.

Your Company was declared winner of the first Automotive Grade Linux (AGL) User Experience Contest in the "Best User Experience" category. The AGL contest was centered on the theme 'Designing the Future of Automotive Infotainment User Experience'. Your Company's concept Human Machine Interface (HMI) won the award for its intuitive and effortless navigation.

Visual Computing Labs (VCL)

Visual Computing Labs provides high-end animation and Visual Effects (VFX) services. It caters to the entertainment industry by providing these services for feature films, episodic television serials and high-end gaming. It also caters to the marketing and advertising industry by providing these services for TV ad commercials and corporate videos for visualization and new product launches.



The division won the coveted Filmfare 2014 award and the Star Guild Award 2014 for Best Visual Effects for a feature film, for its work in Dhoom 3.

The division was also recognized for its stellar work in delivering Visual Effects for Bhaag Milkha Bhaag.

Systems Integration & Support:

During the year under review, the segment turnover and profit were ₹ 92.08 crores and ₹ 8.43 crores respectively.

This business segment, designs and implements solutions, using contemporary hardware and application software for in-house R&D and design centers of organizations. It provides solutions for Computer Aided Design and Manufacturing (CAD/CAM), Virtual Reality and High Performance Computing. It also supports enterprises in effectively managing their IT infrastructure, including storage, computing and networking.

This business delivered improved results through its focus on a solution-centric approach that drives higher composition of software and support services in the business mix to improve revenues and margins.

5. Finance:

The interest cost for FY14 was ₹1.83 crores, as against ₹ 3.91 crores in the previous year. Borrowings as at the end of FY14 were NIL, compared to ₹ 58.51 crores in the previous year.

6. Corporate Social Responsibility (CSR):

The Board, pursuant to the provisions of section 135 of the Companies Act, 2013, has at its meeting held on 2nd April, 2014 constituted a CSR committee with the following Directors as members:

Mrs. Shyamala Gopinath, Chairperson

Mr. Piyush Mankad, Member

Mr. Madhukar Dev, Member

7. Directors:

Pursuant to the provisions of section 149 read with Schedule IV of the Companies Act, 2013, Mrs. Shyamala Gopinath, Dr. R. Natarajan, Mr. P. Mankad and Mr. P McGoldrick have given declaration that they meet the criteria for independence as provided therein. Accordingly, the abovenamed directors are proposed to be appointed as independent directors for a term of five (5) years from the date of the ensuing Annual General Meeting or attainment of retirement age for independent Directors prescribed under the Revised Guidelines (2012) for Composition of Board of Directors, Committees of the Board and Retirement Age of Directors as may be revised from time to time, whichever is earlier.

8. Directors Responsibility Statement:

Pursuant to Section 217 (2AA) of the Companies Act, 1956, your Directors, based on the representations received from the Operations Management, confirm that-

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- (ii) they have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that year;
- (iii) they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the annual accounts on a going concern basis.

9. Personnel:

Your Company's workforce composition is aligned to the delivery of design and creative services. The Embedded Product Design, Industrial Design, and Systems Integration divisions are mainly comprised of graduates and post-graduates in engineering and design. Visual Computing Labs employ creative professionals with proficiency in the software tools that are used to deliver animation and VFX services.

TATA ELXSI

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Your Company recognizes the critical importance of its human capital. Capacity addition, through the induction of fresh engineers and lateral hires are driven by the annual business planning exercise. Capacity addition is continuously monitored and managed, depending on the business demand and near-term projections. Your Company undertakes significant initiatives to increase efficiency through improved operations, training and retooling, leadership development, and other measures.

10. Disclosure of Particulars:

The information required under Section 217 (2A) of the Companies Act, 1956 and the Rules made there under, is provided in Annexure-B forming part of the Report. In terms of Section 219 (1) (b) (iv) of the Act, the Report and Accounts are being sent to the Shareholders, excluding the aforesaid Annexure. Any Shareholders interested in obtaining a copy of the same may write to the Company Secretary.

11. Subsidiary Company, Statement under Section 212 of the Companies Act, 1956 and Consolidated Financial Statements:

The Company's wholly owned subsidiary, Tata Elxsi (Singapore) Pte. Ltd. recorded a turnover of ₹ 2.69 crores and Profits before Tax of ₹ 1.01 crores during the year 2013-14, as against the previous year's turnover of ₹ 17.21 crores and Profit before Tax of ₹ 1.93 crores. The Board of Directors of your Company has given their consent for not attaching to its Balance Sheet, the documents relating to its subsidiary specified in Section 212 (1) of the Companies Act, 1956 in terms of the General Circular no. 2/2011 of the MCA.

In terms of the said circular, a statement in one page containing specified financial details of the subsidiary company is to be included in the consolidated annual financial statements of the parent Company. The annual accounts of the subsidiary and the related detailed information will be made available to the holding and subsidiary company's investors seeking such information at any point of time. The annual accounts of the subsidiary will also be kept available for inspection by any investor at the head office of the parent and subsidiary Company respectively.

As required pursuant to the Accounting Standards of the Institute of Chartered Accountants of India (ICAI) and the Listing Agreement with the Stock Exchanges, the stand-alone annual accounts of your Company, along with the consolidated financial statements of your Company and the subsidiary Company made up to 31st March 2014, are also presented.

12. Corporate Governance:

Pursuant to Clause 49 of the Listing Agreement, the Corporate Governance Report, the Management Discussion & Analysis Statement, and the Auditors' Certificate regarding Compliance of Conditions of Corporate Governance are part of this Annual Report.

13. Auditors

Deloitte Haskins & Sells (DHS), Chartered Accountants, who are the Statutory auditors of the Company, hold office till the Conclusion of the Forthcoming AGM and are eligible for re-appointment. Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the rules framed thereunder, it is proposed to appoint DHS as Statutory auditors of the Company from the Conclusion of the Forthcoming Annual General Meeting till the Conclusion of the 28th Annual General Meeting to be held in the year 2017, subject to ratification of appointment at every AGM.

14. Acknowledgements:

The Directors wish to thank the Company's employees, customers, partners, suppliers, and above all, its shareholders and investors for their continued support and co-operation.

On behalf of the Board of Directors

S. RAMADORAI Chairman

Mumbai, April 22, 2014



ANNEXURE "A" TO DIRECTOR'S REPORT

Particulars pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

1. Conservation of Energy

Your Company is in a knowledge intensive industry, and does not operate industrial machinery, production facilities, or other such energy intensive operations. However, as a responsible corporate citizen, it continues to pursue and adopt appropriate energy conservation measures.

Energy conservation programs adopted by your Company are:

- (i) Continuous education and awareness programs among all employees on energy conservation measures that can be adopted at individual levels, to help conserve power and energy.
- (ii) Continuous monitoring of energy consumption. This covers optimization of space utilization, using technology to monitor and control power consumption of air conditioning and other related equipment, use of energy efficient light bulbs, using technology for switching off computer monitors, motion sensors for lighting controls, etc.
- (iii) Initiatives such as provision of mass transport and car pooling for employees commuting to work. This year, the Company tied up with the Bangalore Metropolitan Transport Corporation (BMTC) to enable use of airconditioned Volvo buses run by the corporation to transport employees to and from its development centers in Bangalore. This initiative was successfully implemented in Bangalore to utilize public transport options and reduce our carbon footprint.
- (iv) Rainwater harvesting and using recycled water for gardening.
- (v) Regular reviews of energy requirements and consumption patterns, with action plans for effective utilization of power, during peak and non-peak seasons, and installation of energy saving devices where feasible.

Your Company will continue to monitor and control overall energy expenses, in relation to the growth in the scale of operations.

2. Technology Absorption

a. Research & Development

Your Company's key services are directed towards software and electronic system development for industries such as wireless, multimedia, automotive, networking, consumer electronics and broadcast. Your Company devotes a certain portion of its human capital in developing expertise in emerging technologies and standards, through technology partnerships, subscription and active participation in standards and technology forums, trade shows, training and in-house R&D projects. These help in enabling new technology familiarity for the engineering teams, as part of the continuous training and human resource development.

b. Benefits derived out of the above R&D

Internal Intellectual Property (IP) programs facilitate your Company in training and preparing its design and engineering teams for upcoming projects in terms of delivery capability and capacity. The outcomes of these programs also help showcase technology and development capability to potential customers without violating confidentiality of work being executed for existing customers in the same area.

Further, certain programs are focused on creating IP, which have the potential to generate revenue streams through commercialization and licensing.

Your Company licensed its in-house developed connectivity middleware, based on the Digital Living Network Alliance (DLNA) standard, for a leading consumer electronics company from Japan.

Your Company also undertook R&D and IP development in next-generation standards for high-definition video. The in-house developed decoder software was successfully licensed to a US based company to enable development of next-generation devices that can support Ultra High Definition video.

iv.

It has also developed an application framework for Set-top boxes and Home gateways that has been successfully licensed to two customers in this financial year, enabling revenues from licensing fees and related customization services.

Future plan of action

During the year, your Company invested 3.1% of revenue in developing Intellectual Properties, through in-house R&D projects. Your Company intends to continue investment in technology IP development, especially those related to broadcast, automotive and multimedia. It aims to grow revenues through IP licensing and related services to licensees for the adoption and integration of the licensed technology to suit their specifications.

Expenditure on R & D during the year

 i. Capital
 : ₹ 3.85 crores

 ii. Recurring
 : ₹ 12.46 crores

 iii. Total
 : ₹ 16.31 crores

Total R & D expenditure as a percentage total turnover

3. Technology absorption, adaptation and innovation

Your Company continues to track trends and latest developments in various technology areas, including those related to communications, broadband, multimedia, and automotive related technologies. It also actively participates in relevant standards bodies and forums. This helps increase the knowledge base within the Company, and enhances the ability of the Company to undertake larger and more complex projects which are of higher value.

: 2.07%

Your Company also undertakes continuous quality improvement programs, training programs, deployment and use of tools and technologies for monitoring projects, etc., to help increase efficiencies and productivity.

4. Foreign Exchange earnings and outgo

Your Company's services segment and also the agency business with overseas principals in the Systems Integration segment ensure a continued export thrust. The particulars of foreign exchange expenditure and earnings are given in Item Nos. 23.5 and 23.6 of notes forming part of the financial statement (Page no. 55).

Affirmation regarding Compliance with the Code of Conduct

The Company has adopted a Code of Conduct for all its employees, including the Managing Director. 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 Board members and Senior Management personnel have affirmed compliance with the Code of Conduct applicable to them in respect of the year ended 31st March, 2014.

Madhukar Dev
Mumbai, April 22, 2014 Managing Director



Mandatory Requirements:

1. A brief statement on the Company's philosophy on code of governance.

Your Company believes in conducting its affairs with the highest levels of integrity, with proper authorisations, accountability and transparency. The business operations of your Company are conducted not to benefit any particular interest group but for the benefit of all stakeholders.

2. Board of Directors

The Board comprises with members having varied skills, experience and knowledge. The Board has a mix of both Independent and Non-independent directors where Independent directors constitute more than half the strength of the Board. The Chairman of the Company is Non-Executive. None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49 of the Listing Agreement with Stock Exchanges), across all the companies in which they are Directors. Necessary disclosures regarding Committee positions have been made by the Directors.

Five Board Meetings were held during the year 2013-14 and the gap between two meetings did not exceed four months. The dates on which the Board Meetings held were 19th April, 2013; 23rd July, 2013, 28th October, 2013; 18th December, 2013 and 27th January, 2014.

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting, as also the number of Directorships held by them in other companies are given below:

Name	Category	No. of Board	Whether attended		irmanships/Di 'Committees*		
		Meetings attended during 2013-14	AGM held on 23rd July, 2013	Chairman/ Chairperson of the Board	Chairman/ Chairperson of the Committee	Member of the Board	Member of the Committee
Mr. S. Ramadorai [DIN 00000002]	Not Independent/ Non-executive	5	Yes	6	2	7	5
Mr. P. G. Mankad [DIN 00005001]	Independent / Non-executive	5	Yes	1	1	7	8
Mr. P. McGoldrick [DIN 00407203]	Independent / Non-executive	5	Yes	-	-	1	-
Dr. R. Natarajan [DIN 00001638]	Independent / Non-executive	4	Yes	-	-	1	1
Mrs. Shyamala Gopinath [DIN 02362921]	Independent / Non-executive	4	Yes	2	3	3	3
Mr. Madhukar Dev [DIN 00082103]	Not Independent/ Managing Director	5	Yes	-	-	-	-

^{*} Only Audit and Investor Grievance Committees considered

The information as required under Annexure I to Clause 49 is being made available to the Board.

3. Audit Committee

The terms of reference of the Audit Committee mandated by the statutory and regulatory requirements, which are also in line with the mandate given by your Board of Directors, are:

a. 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;

^{**} Excludes private/foreign/non-profit companies

- b. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and the fixation of audit fees;
- c. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- d. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956;
 - ii. Changes, if any, in accounting policies and practices and reasons for the same;
 - iii. Major accounting entries involving estimates based on the exercise of judgement by management;
 - iv. Significant adjustments made in the financial statements arising out of audit findings;
 - v. Compliance with listing and other legal requirements relating to financial statements;
 - vi. Disclosure of any related party transactions; and
 - vii. Qualifications in the draft audit report;
- e. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- f. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- g. 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:
- h. Discussion with internal auditors, any significant findings and follow up there on;
- i. 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;
- j. 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;
- k. 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;
- I. To review the functioning of the Whistle Blower mechanism;
- m. Carrying out any other function, as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee reviewed the reports of the 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.

Five Audit Committee Meetings were held during the year 2013-14. The dates on which the Audit Committee Meetings held were 19th April, 2013; 22nd July, 2013; 23rd July, 2013; 28th October, 2013 and 27th January 2014.

The composition, names of the members, chairperson, particulars of the Meetings, and attendance of the members during the year are as follows:

SI. No.	Names of Members	Category	No. of Meetings attended during the year 2013-14
1	Mrs. Shyamala Gopinath, Chairperson	Independent / Non-executive	5
2	Mr. S. Ramadorai	Not Independent / Non-executive	4
3	Dr. R. Natarajan	Independent / Non-executive	5



4. Remuneration Committee

The terms of reference mandated by your Board are:

- To decide the policy on specific remuneration packages for Managing/Executive Directors, including pension rights and any compensation payments.
- To approve the terms of any Employee Stock Option Scheme or Plan, as may be issued from time to time by the Company;

All Non-Executive Directors of your Company receive sitting fees for each meeting of the Board or Committee thereof attended by them. The net profits of the Company, not exceeding 1%, are distributable, as commission, amongst the Non-Executive Directors considering the special services and efforts rendered.

Other than sitting fees and commission on the net profits of the Company, no other remuneration is payable to the Non-Executive Directors for 2013-14.

One Remuneration Committee Meeting was held on 19th April, 2013 during the year 2013-14.

The composition, names of the members, chairperson, particulars of the Meetings, and attendance of the members during the year are as follows:

SI. No.	Names of Members	Category	No. of Meeting attended during the year 2013-14
1	Dr. R. Natarajan, Chairman	Independent / Non-executive	1
2	Mr. S. Ramadorai	Not Independent / Non-executive	1
3	Mrs. Shyamala Gopinath	Independent / Non-executive	1

Details of remuneration for the year ended 31st March, 2014

Non-executive Directors (NEDs):

SI. No.	Name of the Non-executive Director	Sitting Fees ₹	Commission* ₹
1	Mr. S. Ramadorai	1,50,000	24,00,000
2	Mr. P. G. Mankad	1,20,000	16,00,000
3	Mr. P. McGoldrick	75,000	10,00,000
4	Dr. R. Natarajan	1,95,000	24,00,000
5	Mrs. Shyamala Gopinath	1,50,000	23,00,000

Managing Director:

Name	Salary ₹	Commission* ₹	Contribution to Provident & other Funds ₹	Other Allowances & Perquisites ₹	Total ₹
Mr. Madhukar Dev	45,37,500	1,00,00,000	13,38,563	66,18,389	2,24,94,452

^{*} Subject to approval of the annual accounts at the forthcoming Annual General Meeting.

The service of Managing Director may be terminated by either party giving other party six month's notice or the Company paying six months salary in lieu thereof.

5. Shareholders / Investors Grievances Committee

The terms of reference mandated by your Board, which is also in line with the statutory and regulatory requirements, are:

- Redressing of Shareholders and Investors complaints;
- To ensure expeditious share transfers;

To review status of legal cases involving the investors where the Company has been made a party.

Three Investor Grievance Committee Meetings were held during the year 2013-14. The dates on which the Investor Grievance Committee Meetings held were 19th April, 2013; 28th October, 2013 and 27th January, 2014.

The composition, names of the members, chairperson, particulars of the Meetings and attendance of the members during the year are as follows:

SI. No.	Names of Members	Category	No. of Meetings attended during the year 2013-14
1	Mr. P.G. Mankad, Chairman	Independent / Non-executive	3
2	Dr. R. Natarajan	Independent / Non-executive	3

Name, designation & address of the Compliance Officer:

Mr. G. Vaidyanathan Company Secretary Tata Elxsi Ltd., ITPB Road, Whitefield

Bangalore – 560 048. Phone : +91-80-2

Phone : +91-80-22979316

Fax : +91-80-28411474

E-mail : gvnathan@tataelxsi.co.in

Details of complaints received and redressed during 2013-14:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
0	22	19	3

Complaints/correspondences are usually dealt with within 10 days of receipt and are completely resolved, except in cases where litigation is involved.

Share transfer lodgements are processed within 10 days and returned, except in cases where litigation is involved.

The following persons can also be contacted in case of investor grievances:

- Ms. Neha Goel (e-mail: investors@tataelxsi.com);
 Phone: +91-080-2297-9852; Fax: +91-080-28411474
- b. TSR Darashaw Ltd. (e-mail: csg-unit@tsrdarashaw.com); Phone: +91-022-66568484: Fax: +91-022-66568494

6. General Body Meetings

Particulars about the last three Annual General Meetings (AGM's) of the Company are:

SI. No.	AGM Particulars	Date	Venue	Time
1	24th AGM in respect of the year 2012-13	23rd July, 2013	Devraj Urs Bhavan, (behind Dr. Ambedkar Bhavan), 16 D, Millers Tank Bed Area, Vasanthanagar, Bangalore 560052	
2	23rd AGM in respect of the year 2011-12	24th July, 2012	Devraj Urs Bhavan, (behind Dr. Ambedkar Bhavan), 16 D, Millers Tank Bed Area, Vasanthanagar, Bangalore 560052	12.30 p.m.
3	22nd AGM in respect of the year 2010-11	22nd July, 2011	Good Shepherd Auditorium 25, Museum Road, opp. St. Joseph P.U College Bangalore	12.00 p.m.



The details of the special resolution passed at the last 3 AGMs are as below:

Year of AGM	Items of Business
2012	To approve payment of a sum not exceeding 1% of the net profits of the Company amongst the non–executive Directors of the Company for each year of the period of five years, commencing from 1st April, 2011.
2011	To delist the shares of the Company from Bangalore Stock Exchange and Delhi Stock Exchange.

No item of business, which required the members' approval through postal ballot, was transacted during 2013-14.

As required under Clause 49(G) (i) of the listing agreement, particulars of the Directors seeking appointment/ reappointment are given in the Annexure to the Notice.

7. Disclosures

- There are no materially significant related party transactions during the year that have potential conflict with the interests of the Company at large;
- There has been no non-compliance or 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;
- Your Company has adopted a Whistle Blower Policy which is permanently posted on the Company's intranet. All
 issues raised under the Whistle Blower Policy are directly reported to the Chairperson of the Company's Audit
 Committee and no personnel have been denied access to the Audit Committee.
- The Company has complied with all the mandatory requirements and most of the non-mandatory requirements specified in the revised Clause 49 of the Listing Agreement.

8. Means of Communication

- Your 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.
- Your Company's quarterly results are disseminated through all the modes mentioned above. Financial Express (English daily) and Sanjevani (vernacular daily) are usually the papers in which the quarterly results are published.
- Your Company's Management Discussion & Analysis of the Business for the year ended 31st March, 2014 forms
 part of this Annual Report and is given under the Section so captioned.

9. General Shareholders Information

SI. No.	Salient Items of Interest	Particulars
i.	AGM Date, Time, and Venue	Friday, 18th July, 2014 at 12:30 pm at Devraj Urs Bhavan, (behind Dr. Ambedkar Bhavan), 16 D, Millers Tank Bed Area, Vasanthanagar, Bangalore – 560 052
ii.	Financial Calendar	22nd April, 2014 – Q4 & FY14 Results 18th July, 2014 – Q1 Results & AGM Oct, 2014 – Q2 Results Jan, 2015 – Q3 Results
iii.	Date of Book Closure	11th July, 2014 to 18th July, 2014 (both days inclusive)
iv.	Dividend Payment Date	On and after 18th July, 2014
V.	Listing on Stock Exchanges	Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001, India Tel.: +91-22-22721234 Fax: +91-22-22722041

		The National Stock Exchange of India Limited 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 Delhi Stock Exchange Association Limited (Delisting is pending with DSE) DSE House, 3/1 ASAF Ali Road, New Delhi – 110 002, India Tel.: +91-11-46470000 Fax: +91-11-46470053
vi.	Stock Code	Bombay Stock Exchange Ltd.: 500408 National Stock Exchange Ltd.: TATAELXSI
vii.	Registrar & Share Transfer Agents	TSR Darashaw Limited, 6-10, Haji Moosa Patrawala Ind. Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai – 400 011
viii.	Share Transfer System	Shares lodged in physical form with the Company/its Registrars & Share Transfer Agents are processed and returned, duly transferred within 10 days normally, except in cases where litigation is involved. In respect of shares held in dematerialised mode, the transfer takes place instantaneously between the transferor, transferee, and the Depository Participant through electronic debit/credit of the accounts involved.
ix.	Dematerialisation of shares and liquidity	2,95,04,234 shares were held in dematerialised mode, as at 31st March, 2014. The Company's equity shares are actively traded on BSE and NSE.
X.	Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity	There are no outstanding instruments and hence there will be no dilution of the equity.
xi.	Plant Locations	Your Company's software development centers are located at the following addresses:
		a. ITPB Road, Whitefield, Bangalore – 560 048;
		b. Brigade Tech Park, Block-B, Unit – II, No. 134/2, 1st and 2nd Floor, Next to ITPB, ITPB Road, Whitefield, Bangalore – 560 066;
		c. IITM Research Park, 4th Floor, Kanagam Road, Taramani, Chennai – 600 113;
		d. Giga Space IT Park, No. 201, 2nd Floor, Alpha – 1 Building, Viman Nagar, Pune – 411 014;
		e. Giga Space IT Park, No. 201, 3rd Floor, Alpha – 2 Building, Viman Nagar, Pune – 411 014;
		f. SEZ Tower IX, A Wing, Level – 2, Magarpatta City, Hadapsar, Pune – 411 013;
		g. Gayathri, 1st Floor, Technopark Campus, Kariyavattom, Thiruvananthapuram – 695 581;
		h. Neyyar, Technopark Campus, Kariyavattom, Thiruvananthapuram – 695 581;
		i. Leela Infopark, 5th Floor, Plot No. 2, Technopark Campus, Thiruvananthapuram – 695 581;
		j. Boston House, 2nd Floor, No. 201, Suren Road, Gondivali Village, Off Andheri- Kurla Road, Andheri East, Mumbai – 400 093
xii.	Address for correspondence	ITPB Road, Whitefield, Bangalore – 560 048
xiii.	CIN	L85110KAI989PLC009968
		



Market Price Data: High/Low during each month of 2013-14 on the following exchanges:

Month		BSE			NSE			
	High	Low	Vol	High	Low	Vol		
	₹	₹	(No. of shares)	₹	₹	(No. of shares)		
April 2013	206.00	189.10	180205	206.90	186.60	487276		
May 2013	208.85	184.10	204218	208.45	185.00	686502		
June 2013	194.80	170.05	206645	193.00	171.00	383460		
July 2013	220.95	175.55	476704	220.85	179.05	1353420		
August 2013	188.00	156.10	162665	193.10	156.55	766329		
September 2013	196.90	168.00	627058	197.80	168.15	2117952		
October 2013	230.90	180.00	1909766	231.40	179.30	5636612		
November 2013	306.90	218.00	3798328	306.90	217.00	11428946		
December 2013	427.80	288.40	12499628	427.80	288.60	38406116		
January 2014	424.50	344.00	9088429	424.85	347.00	29415798		
February 2014	594.00	390.80	11562150	594.00	391.70	38635670		
March 2014	668.60	530.00	12855360	667.80	528.00	39340714		

Distribution of Shareholding as on 31st March, 2014

Range of Shares	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1 – 500	53538	94.97	6499005	20.87
501 – 1000	1587	2.81	1269153	4.08
1001- 2000	650	1.15	996649	3.20
2001 – 3000	180	0.32	464192	1.49
3001 – 4000	84	0.15	302967	0.97
4001 – 5000	74	0.13	346735	1.11
5001 – 10000	124	0.22	917485	2.95
Over 10,000	139	0.25	20342034	65.33
Total	56376	100.00	31138220	100.00

Categories of Shareholding as on 31st March, 2014

Category	No. of Shareholders	No. of Shares held	% of Shareholding
Individuals	55007	11649513	37.42
Trusts	5	4012	0.01
Companies	1323	3179343	10.21
Tata Group	2	14047632	45.11
Mutual Funds, FI's, FII's	34	2254620	7.24
Directors & Relatives	3	3100	0.01
Total	56374	31138220	100.00

Top 10 Shareholders as on 31st March, 2014

S. N.	Name of the Shareholder	Total holdings	Percentage to capital
1	Tata Sons Limited	13147632	42.22
2	Life Insurance Corporation of India	1134198	3.64
3	Tata Investment Corporation Limited	900000	2.89
4	Chetan Jayantilal Shah	175000	0.56
5	Nirmal Bang Securities Pvt Ltd	170000	0.55
6	Vanaja Sundar Iyer	160000	0.51
7	The Emerging Markets Small Cap Series of the DFA Investment Trust Company	155165	0.50
8	Hemang Raichand Dharamshi	150000	0.48
9	Reyl Lux Global Funds - Emerging Markets Equities	136194	0.44
10	Kotak Mahindra Investments Ltd	126875	0.41



Tata Elxsi Share Price Vs. S&P CNX Nifty Index

Auditors' Certificate on Compliance of Conditions of Corporate Governance as per Clause 49 of the Listing Agreement with the Stock Exchanges

To the Members of TATA ELXSI LIMITED

We have examined the compliance of conditions of corporate governance by TATA ELXSI LIMITED (the company), for the year ended on March 31, 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with the said stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion of the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above-mentioned Listing Agreement.

We further 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.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants (Firm Registration No. 008072S)

V. Balaji Partner (Membership No. 203685)

Mumbai, April 22, 2014



MANAGEMENT DISCUSSION AND ANALYSIS

1. Business Analysis

Your Company's operations are classified into two business segments, i.e. Software Development & Services and Systems Integration & Support.

Software Development and Services

This business segment reported revenues of ₹ 682.7 crores in FY14 as against ₹ 552.9 crores during FY13, registering an increase of 23%. The profit of this segment was ₹ 137.9 crores during FY14, as against ₹ 62.4 crores in FY13, registering an increase of 121%.

This business segment consists of three distinct business divisions:

Embedded Product Design

The Embedded Product Design division provides technology consulting, new product design, development, and testing services for the broadcast, consumer electronics, healthcare, telecom and transportation industries.

This division's revenues grew 26% over the previous year, exceeding the industry average and NASSCOM's projections for growth in R&D services for FY14.

Broadcast and Consumer Electronics

Tata Elxsi addresses the complete product development lifecycle from R&D, new product development and testing to maintenance engineering for Broadcast and Consumer Electronics.

Your Company also engages with Broadcast service providers across the world for the development of value-added applications that enhance the experience of their services and helps them reduce engineering costs associated with service deployment.

Next generation cloud computing technologies and Internet bandwidth efficiency are driving the availability and consumption of content anywhere and everywhere. The Internet of Things (IoT) is allowing additional services on the same medium to enable services such as home automation, home surveillance and collaboration for the connected home. Your Company is targeting engagements with service providers and product manufacturers to address these emerging opportunities.

Communications

Your company works with networking & wireless communications product companies for product development, test, maintenance and support services.

Both the enterprise and service provider markets are experiencing increased adoption of IP (Internet Protocol) based voice and video communications, as well as cloud-based applications that can be enabled on any connected device. Your Company is working with leading product companies to build next generation voice and video solutions, based on the latest cloud technology.

Transportation

Your Company offers electronics, software development and system design services for the automotive and aerospace industry.

Leading automotive manufacturers and system suppliers have collaborated towards an initiative called Automotive Open System Architecture (AUTOSAR) to better manage the increasing complexity of automotive electronics and heightened passenger and legal requirements. Your Company has been associated with the AUTOSAR consortium from its early stages and is helping the automotive ecosystem adopt and implement AUTOSAR compliant systems in next-generation vehicles.

Due to the regulatory pressure for stringent emission and safer transport from various governments across the world, the demand for intelligent electronics is expected to increase substantially. Your Company is engaging with leading OEMs and systems suppliers for the development of next-generation hybrid vehicles. Your company is leveraging its extensive experience in imaging and video technologies, digital signal processing, imaging and video technologies to help automotive customers develop advanced driver assistance systems that can help make driving safer and less tiring.

In-Vehicle Infotainment (IVI) is rapidly extending to multiple applications such as navigation and location services, telephony, and Internet services. This demands experience with integration of multiple technologies, along with enhanced user interfaces to allow drivers to use these features easily and without distraction. Your Company has built

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

a unique value proposition for this market owing to its combined knowledge of user experience design, multimedia and connectivity technologies, and experience of the automotive specific processes and systems.

Your Company is also working with some leading aerospace OEMs and suppliers for avionics and electronics design.

The Indian IT industry is facing some challenges due to the changes in immigration policies in countries such as US and UK that increases the cost of deploying resources in those regions, and the risks of financial impact due to strengthening of the Indian Rupee against major foreign currencies. Your company is taking steps to help mitigate this risk to the best extent possible.

Industrial Design (ID)

Your Company's Industrial Design division helps customers develop endearing brands and products by using design and technology as a strategic tool for business success.

This division services a broad spectrum of industries including automotive, consumer electronics, retail & consumer goods, communications and healthcare. This division reported growth that exceeded CII's projections for the Indian design industry.

With increasing competition in the services sector, many companies may need to take a fresh look at their existing services and to redesign the workflow and every aspect of their services to create a better user experience. Service design is an emerging opportunity for the Industrial Design division across multiple segments such as Retail, Travel, Hospitality, and Banking.

The Industrial Design division worked with GVK to create an enhanced experience for travelers at Mumbai International Airport's new integrated Terminal 2, while increasing efficiency and productivity for the airport staff. As part of this project, the Industrial Design team designed entertainment zones, customer service zones, general and lifestyle seating areas in the main terminal area. Other elements included payphones, charging stations, ATM vending machines and Internet workstations/ kiosks.

It also worked with St. James' Court and Taj 51 Buckingham Gate, Suites and Residences in London, to redefine the visual identity of the two hotels. The design team executed over one hundred design interventions as part of this rebranding project that encompassed amenities, service, communication and promotional collateral and stationery.

It was also declared the winner of the first Automotive Grade Linux (AGL) User Experience Contest in the "Best User Experience" category for its concept of a next-generation user interface for cars.

Visual Computing Labs (VCL)

VCL provides high-end animation and Visual Effects (VFX) services. It caters to the entertainment industry by providing these services for feature films, episodic television serials and high-end gaming. It also caters to the marketing and advertising industry by providing these services for TV ad commercials and corporate videos for visualization and new product launches.

VCL focused on winning and executing projects that ensured financial sustainability while maintaining its proposition for world-class creative services. Your Company won the 2013 Filmfare award for the Best Visual Effects for "Dhoom 3", thereby strengthening its position as the leading creative services company in India. It was also recognized for its stellar work in delivering visual effects for Bhaag Milkha Bhaag.

Systems Integration and Support

This business segment reported revenues of ₹ 92.1 crores in FY14, as against ₹ 68.7 crores during FY13, registering an increase of 34%. The profit of this segment was ₹ 8.4 crores during FY14, as against ₹ 1.7 crores in FY13.

This business segment implements and integrates complete systems and solutions for High-Performance Computing, CAD/CAM/CAE/PLM, Broadcast, Virtual Reality, Storage, and Disaster Recovery. It also provides Professional Services for maintenance and support of IT infrastructure in India and overseas.

This segment continues to focus on increasing the share of software sales and support services to improve margins.



MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

2. Internal Controls systems and their adequacy:

Your Company has put in place adequate internal control systems, commensurate to the size and scale of its operations. The Company has ensured a two-level Audit System with in-house Internal Auditors conducting regular and periodic audits of specific processes and controls, and a quarterly audit of internal controls in different areas of operation by an external firm, Ernst & Young. Significant observations made by the in-house and external internal auditors are presented to the Audit Committee for their recommendations. The status of the implementation of the observation and recommendations are also presented to the Audit Committee periodically.

3. Financial Analysis:

The following are relevant financial performance details, on consolidated basis, with respect to the operational performance of the Company:

Salient Consolidated Financial Data Expenditure Analysis Relating to Profit & Loss Account

Salient Consolidated Financial Data Expenditure Analysis Relating to Profit & Loss Accoun					
	2013-14	2012-13	Change over		
			previous year		
	₹ crores	₹ crores	%		
Sales and services	774.79	621.67	24.63		
Other income	12.54	4.84	159.09		
Total Revenues	787.33	626.51	25.67		
Cost of sales	75.24	59.45	26.56		
Personnel expenses	402.96	351.49	14.64		
Financial expenses	1.83	3.91	(53.20)		
Depreciation/ Amortization	34.99	23.72	47.51		
Other expenses	160.12	138.67	15.47		
Total Expenditure	675.14	577.24	16.96		
Profit before tax and exceptional item	112.19	49.27	127.70		
Exceptional items	_	15.90	(100.00)		
Profit before tax	112.19	33.37	236.20		
Tax	39.93	10.99	263.33		
Profit after tax for the year	72.26	22.38	222.88		
Share of loss from associated Company	_	1.07	(100.00)		
Net profit for the year	72.26	21.31	239.09		

Percentage to income					
2013-14	2012-13				
%	%				
98.41	99.23				
1.59	0.77				
100.00	100.00				
9.56	9.49				
51.18	56.10				
0.23	0.62				
4.44	3.79				
20.34	22.13				
85.76	92.14				
14.25	7.86				
-	2.54				
14.25	5.33				
5.07	1.75				
9.18	3.57				
_	0.17				
9.18	3.40				

Analysis:

a. Overheads

Items	2013-14	2012-13	Variance	Remarks
	₹ crores	₹ crores		
Operating lease rent	14.08	13.17	0.91	New premises and hike in rentals
Communication expenses	7.43	7.71	-0.28	
Inland travel and conveyance	11.93	10.29	1.64	Increase in business travels
Overseas travel	33.89	23.60	10.29	Increase in business travels
Consultant fees for software development	43.52	45.57	-2.05	
Provision for doubtful debts/ advances	3.49	1.28	2.21	

b. Significant Ratio Analysis

SI.No.	Particulars	Unit	31.03.14	31.03.13
1	Earnings before interest, depreciation and tax/Sales	%	19.23	12.37
2	Profit before taxes/Sales	%	14.48	5.37
3	Profit after taxes/Sales	%	9.33	3.43
4	Current Ratio	No. of times	1.69	1.18
5	Debt Equity Ratio	Ratio	-	0.30:1
6	Earnings per share	₹	23.21	6.84

4. Human Resources:

Your Company recognizes the critical importance of its human capital and has multiple initiatives to contain attrition through effective employee engagement. Your Company will continue these measures to increase retention. Your Company also plans to increase manpower through fresh and lateral hires, as required to enable the targeted revenue growth.

5. Quality Initiatives:

Your Company has instituted very strong quality processes in the execution of its software projects. Your Company's EPD division is certified for ISO 9001:2008. Your Company has sound information security management processes. Your Company's development centres in Bangalore, Trivandrum, Mumbai, Pune, and Chennai have been certified for ISO 27001. The Medical Electronics Business Unit (MEBU) in EPD has been certified for ISO 13485:2003 to enable design and development of hardware and software for electro medical devices. Your Company has implemented several practices in line with the Tata Business Excellence Model (TBEM). During the year, Your Company participated in the TBEM assessment and has been assessed at a higher score band as compared to the previous year, indicating improved performance and processes.

The Industrial Design division has successfully been certified for ISO 13485:2003. This Standard specifically covers the design and manufacture of Medical Devices, and will enable your company to better address the healthcare and medical devices segment.



Independent Auditors' Report

TO THE MEMBERS OF TATA ELXSI LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **TATA ELXSI LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by Section 227(3) of the Act, we report that:
 - (a) We have 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.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).
 - (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For DELOITTE HASKINS & SELLS Chartered Accountants (Firm Registration No. 008072S)

V. Balaji Partner (Membership No. 203685)

Place: Mumbai, Date: April 22, 2014

Annexure to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) Having regard to the nature of the Company's business/activities/results during the year, Clauses, vi, viii, x, xii, xiii, xiv, xvi, xix and xx of CARO are not applicable.

(ii) In respect of its fixed assets:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

(iii) In respect of its inventory:

- (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
- (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- (v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (vi) In our opinion and according to the information and explanations given to us, there are no contracts or arrangements that are required to be entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956.
- (vii) In our opinion, the internal audit functions carried out during the year by the Company personnel and by an external agency appointed by the Management, have been commensurate with the size of the Company and the nature of its business.
- (viii) According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed Employees' State Insurance dues and has been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2014 for a period of more than six months from the date they became payable.



(c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2014 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved ₹ lakhs
Income Tax Act	Wealth Tax	Commissioner of Income Tax, Appeals	Financial Years 1993-94 to 1998-99	25.89
Income Tax Act	Income Tax	Commissioner of Income Tax, Appeals	Financial year 2004-05	87.68
Income Tax Act	Income Tax	Honourable Supreme Court of India	Financial Years 2000-2001, 2001-2002 and 2002-2003	98.10
Finance Act	Service Tax	Customs Excise Service Tax Appellate Tribunal	Financial Years 2006-07, 2007-08 and 2008-09	582.58

- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions. The Company has not issued any debentures.
- (x) In our opinion and according to the information and explanations given to us, the terms and conditions of the other guarantees given by the Company for loans taken by others from banks and financial institutions are not prima facie prejudicial to the interests of the Company.
- (xi) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long-term investment.
- (xii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act.
- (xiii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS Chartered Accountants (Firm Registration No. 008072S)

Place: Mumbai, Date: April 22, 2014 V. Balaji Partner (Membership No. 203685)

Balance Sheet as at 31 March, 2014			
balance sheet as at 51 March, 2014			₹ lakhs
		As at	As at
	Note	31 March, 2014	31 March, 2013
EQUITY AND LIABILITIES		•	•
Shareholders' funds			
Share capital	3	3,113.82	3,113.82
Reserves and surplus	4	20,367.73	16,070.91
		23,481.55	19,184.73
Non-current liabilities			,
Long-term provisions	5	511.29	484.72
Deferred tax liabilities (Net)	24.7	684.00	447.00
		1,195.29	931.72
Current liabilities		.,	552
Short-term borrowings	6	_	5,850.65
Trade payables	7	6,536.22	5,042.99
Other current liabilities	8	3,364.29	2,722.08
Short-term provisions	9	4,114.56	1,901.29
5.13.13.13.13.13.13.13.13.13.13.13.13.13.	•	14,015.07	15,517.01
Total		38,691.91	35,633.46
ASSETS			
Non-current assets			
Fixed assets	10		
Tangible fixed assets	. •	7,006.89	7,249.21
Intangible assets		2,676.20	2,664.79
Capital work-in progress		959.75	447.07
Intangible assets under development		302.41	1,679.25
ag.aaaaaa aaa. aaraapa		10,945.25	12,040.32
Non-current Investments	11	28.67	28.67
Long-term loans and advances	12	4,058.76	5,443.96
		15,032.68	17,512.95
Current assets		,	,5.155
Inventories	13	_	31.22
Trade receivables	14	15,557.74	13,471.75
Cash and bank balances	15	4,982.30	2,048.92
Short-term loans and advances	16	1,200.00	994.52
Other current assets	17	1,919.19	1,574.10
other current assets	17	23,659.23	18,120.51
Total		38,691.91	35,633.46
		30,031.31	33,033.10
Corporate information and significant accounting policies	1 & 2		
See the accompanying notes forming part of the financial sta	tements		
In terms of our report attached	For and on behalf of	the Board of Direct	tors
For Deloitte Haskins & Sells	. 51 dila 511 bellali 01	Dodia of Difee	
Chartered Accountants	S Ramadorai		Chairman
chartered Accountants	Shyamala Gopinath		Director
	Madhukar Dev		Managing Director
V. Balaji	Sudha Madhavan	C	nief Financial Officer
Partner	G. Vaidyanathan	CI	Company Secretary
raitiici	G. Valuyallatilali		Company Secretary

Mumbai, April 22, 2014

Mumbai, April 22, 2014



Statement of Profit and Loss for the year ended 31 March, 2014

•	-		₹ lakhs
	Note	Year ended 31 March, 2014	Year ended 31 March, 2013
REVENUE	Note	31 Waren, 2014	31 Waren, 2013
Revenue from operations	18	77,209.76	60,468.64
Other income	19	1,568.44	622.59
Total		78,778.20	61,091.23
EXPENSES			
Purchases	20	7,274.17	4,493.81
Changes in inventories - (Increase)/Decrease	20A	31.22	(29.09)
Employee benefits expense	21	40,295.96	35,149.27
Finance costs - Interest expense on borrowings		182.68	390.76
Depreciation/amortisation expense	10	3,498.66	2,372.53
Other expenses	22	15,996.97	13,948.19
Total		67,279.66	56,325.47
Profit before exceptional items and tax		11,498.54	4,765.76
Exceptional items (Refer Note No. 24.4c)		_	1,589.57
Profit before tax		11,498.54	3,176.19
Tax expense			
i) Current Tax		(3,857.58)	(1,089.25)
ii) (Short)/Excess provision for tax relating to prior years		106.78	87.00
iii) Net current tax expense		(3,750.80)	(1,002.25)
iv) Deferred tax		(237.00)	(75.00)
Total		(3,987.80)	(1,077.25)
Net Profit for the year		7,510.74	2,098.94
Earnings per equity share of ₹10/- each			
Basic and Diluted (Refer Note 24.6) ₹		24.12	6.74
Corporate information and significant accounting policies	1 & 2		
See the accompanying notes forming part of the financial statement	ts		

In terms of our report attached For **Deloitte Haskins & Sells** Chartered Accountants

V. Balaji Partner

Mumbai, April 22, 2014

For and on behalf of the Board of Directors

S Ramadorai Chairman
Shyamala Gopinath Director
Madhukar Dev Managing Director
Sudha Madhavan Chief Financial Officer
G.Vaidyanathan Company Secretary

Mumbai, April 22, 2014

Cash Flow Statement for the year ended 31 March, 2014

Adjustment for:		,	31	Year ended March, 2014	₹ lakhs Year ended 31 March, 2013
Depreciation and amortisation 3,498.66 2,772.55 Interest income (27.19) (158.70) (158	A.	Net Profit before tax		11,498.54	3,176.19
Interest income		•		3.498.66	2 372 53
Dividend received from subsidiary 18.63 18.26 300.76 Floring costs Floring costs 10.55					
Finance costs					(138.63)
LiabilitesProvision no longer required, written back \$18.68				182.68	390.76
Bad debts written off		Provision for doubtful advance		-	106.55
Provision for doubtful debts/advances		Liabilities/Provision no longer required, written back		(80.02)	(173.66)
Loss/(Profit) on sale of assets					108.38
Unrealized exchange loss/gains)					
Canage in working capital: Adjustments for (increase)/decrease in operating assets: (3.185.09) 1.350.09 1.3					
Changes in working capital: Adjustments for (increase)/decrease in operating assets: 7.72 7.20 1.					
Adjustments for (increase)/decrease in operating assets: Deposit as Margini Money or Security against commitments				15,5/3.14	6,260.71
Deposits as Margin Money or Security against commitments 3.1.22 (29.09) Trade receivables (3.185.09) (1.350.56) (5.185.09) (1.350.56) (5.185.09) (1.350.56) (5.185.09) (1.350.56) (5.185.09) (1.350.56) (5.185.09) (1.350.56) (5.185.09) (1.350.56) (5.185.09) (1.350.56) (5.185.09) (1.350.56) (5.185.09) (1.350.56) (5.185.09) (1.350.56) (5.185.09) (1.350.56) (5.185.09) (1.350.56) (5.185.09) (1.350.56) (5.185.09) (1.350.56) (5.185.09) (
Inventories				_	7 20
Tade receivables (3,185,09) (1,350,95) Short-term loans and advances (43,33) 22,82 Other current sests (345,09) (119,76) Adjustments for increase/(decrease) in operating liabilities 1,535,42 547,02 Trade payables 585,06 250,29 Short-term provisions 259,20 11,73 Long-term provisions 26,57 83.66 Cash generated from operations 14,335,37 5,426.41 Net cash flow from/(used in) operating activities 11,720,34 (1,720,34) B. Cash flows from investing activities 2,403,61) 3,884,03 Capital Expenditure on of fixed assets/apital advances 2,403,61) 3,884,03 Dividend received from subsidiary 31,24 318,63 Dividend received from subsidiary 2,19 18,79 Net cash flow from/(used in) investing activities (1,982,55) 3,384,03 Cash flows from financing activities (1,982,55) 3,385,03 Cash flows from/(used in) investing activities (1,985,25) 3,385,03 Dividend paid (1,556,91) (1,985,25				31.22	
Short-term loans and advances 188.39 (257.70 Long-term loans and advances 34.33 23.28 conter current assets 34.50 (119.76 Adjustments for increase/(decrease) in operating liabilities: 1,535.42 547.02 Cother current liabilities 585.06 250.29 Short-term provisions 259.20 11.73 Long-term provisions 26.57 83.65 26.57 Rota sets flow from/(used in) operating activities 12.615.03 13.655,37 15.655 13.8183 15.75 15.					
Other current assets Adjustments for increase/(decrease) in operating liabilities:					(257.70)
Other current assets Gl45.09 (1197.6) Adjustments for increase/(decrease) in operating liabilities: 1,735.42 547.02 Other current liabilities 585.06 250.29 585.06 250.29 585.06 259.20 11.73 Long-term provisions 26.57 83.66 259.20 11.73 Long-term provisions 26.57 83.66 26.25 26.2		Long-term loans and advances		43.33	23.28
Trade payables				(345.09)	(119.76)
Other current liabilities 259.20 259.20 11.73 Long-term provisions 25.57 83.59 12.73 82.57 83.69		Adjustments for increase/(decrease) in operating liabilities:			
Short-term provisions 259,20 11,73 25,95 28,66 28,90 28,					547.02
Long-term provisions					250.29
Cash generated from operations					
Net cash flow from/(used in) operating activities 12,615.03 3,685.48 S. Cash flows from investing activities 12,615.03 3,685.48 Capital Expenditure on of fixed assets 2,403.61 3,344.03 Proceeds from sale of fixed assets 2,403.61 3,814.03 Proceeds from sale of fixed assets 2,719 188.63 Dividend received from subsidiary 188.63 Interest received from subsidiary 188.63 Interest received from subsidiary 188.63 Interest received from subsidiary 188.63 Net cash flow from/(used in) investing activities 27.19 188.79 Short-term borrowings availed/(re-paid) (net) (5,850.65) 1,831.87 Short-term borrowings availed/(re-paid) (net) (5,850.65) 1,831.87 Interest paid (1,556.91) (2,179.68) (390.76) Dividend paid (1,556.91) (2,179.68) (390.76) Tax on dividend paid (264.60) (353.54) (390.76) Tax on dividend paid (264.60) (353.54) (390.76)					
Net cash flow from/(used in) operating activities Capital Expenditure on of fixed assets/capital advances Capital Expenditure on of fixed assets/capital advances Capital Expenditure on of fixed assets/capital advances Dividend received from subsidiary Net cash flow from/(used in) investing activities Cash flow from/(used in) investing activities Cash flows from financing activities Cash and or dividend paid Cash on dividend paid Cash on dividend paid Cash on dividend paid Net cash flow from/(used in) financing activities Cash and cash equivalents as the edginning of the year Cash and cash equivalents as at edginning of the year Reconciliation of cash and cash equivalents with the Balance Sheet: Cash and bank balances as per Balance Sheet (Refer Note 15) Cash and bank balances as per Balance Sheet (Refer Note 15) Cash and cash equivalents at the end of the year Cash and cash equivalents at the end of the year Cash and cash equivalents at the end of the year (1) In earmarked accounts (Refer Note (1) below) 1 Unpaid dividends accounts Cash and cash equivalents at the end of the year *comprises: Cash and cash equivalents at the end of the year *comprises: Cash and cash equivalents at the end of the year *comprises: Cash and cash equivalents at the end of the year *comprises: Cash and cash equivalents at the end of the year *comprises: Cash and cash equivalents at the end of the year *comprises: Cash and cash equivalents at the end of the year *comprises: Cash and cash equivalents accounts (Refer Note (1) below) 1 In earmarked accounts (Refer Note (1) below) 2 In paid dividends accounts Cash and cash equivalents accounts Cash and cash equivalents at the end of the year *comprises: Cash end cash equivalents at the end of the year *comprises: Cash end cash equivalents at the end of the year *comprises: Cash end cash equivalents at the end of the year *comprises: Cash end cash equivalents at th					
B. Capital Expenditure on of fixed assets/capital advances (2,403.61) (3,384.03) Capital Expenditure on of fixed assets 5.93 27.43 Dividend received from subsidiary 381.24 138.63 Interest received 27.19 158.79 Net cash flows from financing activities (1,989.25) (3,059.18) C. Cash flows from financing activities (182.68) (390.76) Short-term borrowings availed/(re-paid) (net) (5,80.65) 1,81.87 Interest paid (182.68) (390.76) Dividend paid (15,56.91) (2,179.68) Tax on dividend paid (264.60) (353.54) Net cash flow from/(used in) financing activities (7,854.84) (1,092.11) Net increase/(decrease) in cash and cash equivalents (7,854.84) (1,092.11) Net cash flow from/(used in) financing activities (7,854.84) (1,092.11) Net cash and cash equivalents as a ten and ash equivalents as a ten and cash equivalents as a ten and cash equivalents as a ten and cash equivalents as a ten and of the year 2,709.94 (465.85) Cash and cash equivalents as a ten of of the year 4,729.28 1,794.56					
Capital Expenditure on of fixed assets/capital advances Capital Expenditure on of fixed assets Sab 43,03 Sab 43,03 Sab 43,03 Sab 43,03 Sab 44,03 Sab 44,03 Sab 44,03 Sab 44,03 Sab 45,03 S	В		-	12,013.03	3,003.44
Proceeds from sale of fixed assets 5.93 27.42 138.62 161	ь.			(2.403.61)	(3.384.03)
Dividend received from subsidiary 138.63 148.63 1					
Interest received 158,79					138.63
Net cash flow from/(used in) investing activities					158.79
C. Cash flows from financing activities (5,850.65) 1,831.87 Short-term borrowings availed/(re-paid) (net) (5,850.65) 1,831.87 Interest paid (182.68) (390.76) Dividend paid (264.60) (353.54) Tax on dividend paid (264.60) (353.54) Net cash flow from/(used in) financing activities (7,858.484) (1,092.11) Net cash flow from/(used in) financing activities 2,770.94 (465.85) Cash and cash equivalents as at beginning of the year 2,770.94 (465.85) Exchange gain/(loss) on restatement of foreign currency cash and cash equivalents 163.78 151.43 Cash and cash equivalents as at end of the year 4,729.28 1,794.56 Reconciliation of cash and cash equivalents with the Balance Sheet: 4,782.00 2,048.92 Less: Bank balances not considered as Cash and cash equivalents as a defined in AS 3 Cash Flow Statements: 4,982.30 2,048.92 Less: Bank balances not considered as Cash and cash equivalents as a defined in AS 3 Cash Flow Statements: 253.02 253.02 254.36 Cash and cash equivalents as the equivalents as the equivalent in the equivalent in the equivalent in the equivalent in					(3,059.18)
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Net cash flow from/(used in) financing activities Net increase/(decrease) in cash and cash equivalents Cash and cash equivalents as at beginning of the year Exchange gain/(loss) on restatement of foreign currency cash and cash equivalents Exchange gain/(loss) on restatement of foreign currency cash and cash equivalents Cash and cash equivalents as at end of the year Reconciliation of cash and cash equivalents with the Balance Sheet: Cash and balances as per Balance Sheet (Refer Note 15) Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements: (i) In earmarked accounts (Refer Note (i) below) - Unpaid dividends accounts Cash and cash equivalents at the end of the year* (a) Cash and cash equivalents at the end of the year* (a) Cash on hand (b) Funds-in-transit (c) Cheques on hand (d) Balances with banks ii) in current accounts (ii) in EEFC accounts (iii) in deposit accounts (iii) in deposit accounts (iv) These earmarked account balances with banks can be utilised only for the specific identified purposes. Corporate information and significant accounting policies (1825)					
Net increase/(decrease) in cash and cash equivalents Cash and cash equivalents as at beginning of the year Exchange gain/(loss) on restatement of foreign currency cash and cash equivalents Cash and cash equivalents as at end of the year Reconcilitation of cash and cash equivalents with the Balance Sheet: Cash and bank balances as per Balance Sheet (Refer Note 15) Less: Bank balances so per Balance Sheet (Refer Note 15) Less: In In earmarked accounts (Refer Note i) below) - Unpaid dividends accounts (Refer Note i) below) - Unpaid dividends accounts (Refer Note i) below) - Unpaid dividends accounts (Refer Note ii) below ii bel					
Cash and cash equivalents as at beginning of the year Exchange gain/(loss) on restatement of foreign currency cash and cash equivalents Cash and cash equivalents as at end of the year Reconciliation of cash and cash equivalents with the Balance Sheet: Cash and bank balances as per Balance Sheet (Refer Note 15) Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements: (i) In earmarked accounts (Refer Note (i) below) - Unpaid dividends accounts Cash and cash equivalents at the end of the year* (a) Cash on hand (b) Funds-in-transit (c) Cheques on hand (d) Balances with banks i) in current accounts (ii) in EEFC accounts ii) in EEFC accounts (iii) in EEFC accounts (iii) in feer accounts (iii) in feer accounts (iii) in feer accounts and significant accounting policies Corporate information and significant accounting policies 2,108.98 2,108.98 2,1794.56 2,1					
Exchange gain/(loss) on restatement of foreign currency cash and cash equivalents Cash and cash equivalents as at end of the year Reconciliation of cash and cash equivalents with the Balance Sheet: Cash and bank balances as per Balance Sheet (Refer Note 15) Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements: (i) In earmarked accounts (Refer Note (i) below) - Unpaid dividends accounts Cash and cash equivalents at the end of the year* *comprises: (a) Cash on hand (b) Funds-in-transit (c) Cheques on hand (d) Balances with banks (i) in current accounts (i) in EEFC accounts (ii) in EEFC accounts (iii) in deposit accounts (iii) in deposit accounts (iii) In these earmarked account balances with banks can be utilised only for the specific identified purposes. Corporate information and significant accounting policies 1 & 2 1 5 1.43 4,729.28 1,794.56 4,982.30 2,048.92 4,982.30 2,048.92 4,982.30 2,048.92 4,982.30 2,048.92 4,982.30 2,048.92 4,982.30 2,048.92 4,982.30 2,048.92 4,982.30 2,048.92 254.36 253.02 254.36 259.02 254.36 259.02 254.36 259.02 254.36 259.02 259.02 254.36 259.02 259.					
Cash and cash equivalents as at end of the year Recorciliation of cash and cash equivalents with the Balance Sheet: Cash and bank balances as per Balance Sheet (Refer Note 15) Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements: (i) In earmarked accounts (Refer Note (i) below) - Unpaid dividends accounts Cash and cash equivalents at the end of the year* (a) Cash on hand (b) Funds-in-transit (c) Cheques on hand (d) Balances with banks i) in current accounts (d) Balances with banks (i) In EEFC accounts (i) These earmarked account balances with banks can be utilised only for the specific identified purposes. Corporate information and significant accounting policies 1 & 2					
Reconciliation of cash and cash equivalents with the Balance Sheet: Cash and bank balances as per Balance Sheet (Refer Note 15) Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements: (i) In earmarked accounts (Refer Note (i) below) - Unpaid dividends accounts Cash and cash equivalents at the end of the year* (a) Cash on hand (b) Funds-in-transit (c) Cheques on hand (d) Balances with banks i) in current accounts ii) in EEFC accounts iii) in EEFC accounts (ii) These earmarked account balances with banks can be utilised only for the specific identified purposes. Corporate information and significant accounting policies 4,982.30 4,982.30 4,982.30 2,048.92 254.36 255.30 2 254.36 253.02 254.36 254.36 255.30 2 254.36 254.36 255.30 2 254.36 255.30 2 254.36 255.30 2 254.36 255.30 2 254.36 255.30 2 254.36 255.30 2 254.36 255.30 2 254.36 255.30 2 254.36 255.30 2 254.36 255.30 2 254.36 255.30 2 254.36 255.30 2 254.36 255.30 2 254.36 255.30 2 254.36 255.30 2 254.36 255.30 2 254.36 255.30 2 255.30 2 254.36 255.30 2 254.36 255.30 2 254.36 255.30 2 255.30 2 255.30 2 254.36 2 37.794.56 2 37.					
Cash and bank balances as per Balance Sheet (Refer Note 15) Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements: (i) In earmarked accounts (Refer Note (i) below) - Unpaid dividends accounts Cash and cash equivalents at the end of the year* *comprises: (a) Cash on hand (b) Funds-in-transit (c) Cheques on hand (d) Balances with banks i) in current accounts ii) in earmarked accounts (d) Balances with banks iii) in deposit accounts (i) These earmarked accounts balances with banks can be utilised only for the specific identified purposes. Corporate information and significant accounting policies 2,048.92 4,982.30 2,048.92 2,049.92 2			_	4,723.20	1,734.30
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements: (i) In earmarked accounts (Refer Note (i) below) - Unpaid dividends accounts Cash and cash equivalents at the end of the year* *comprises: (a) Cash on hand (b) Funds-in-transit (c) Cheques on hand (d) Balances with banks i) in current accounts ii) in EEFC accounts iii) in deposit accounts (i) These earmarked account balances with banks can be utilised only for the specific identified purposes. Corporate information and significant accounting policies Less: Bank balances with accounts as defined in AS 3 Cash Flow Statements: 253.02 254.36 4,729.28 1,794.56 254.36 254.36 254.36 254.36 254.36 254.36 254.36 255.02 254.36 254.36 254.36 254.36 254.36 255.02 254.36 254.36 254.36 255.02 254.36 254.36 254.36 255.02 254.36 254.36 255.02 254.36 254.36 254.36 255.02 254.36 254.36 255.02 254.36 254.36 255.02 254.36 254.36 255.02 254.36 254.36 255.02 254.36 256.02				4.982.30	2,048.92
Section Sect				•	,
Unpaid dividends accounts					
Cash and cash equivalents at the end of the year* 4,729.28 1,794.56 *comprises: 0.97 0.80 (a) Cash on hand 0.97 0.80 (b) Funds-in-transit 547.17 323.17 (c) Cheques on hand 81.00 176.21 (d) Balances with banks 2,872.40 790.92 i) in current accounts 2,872.40 790.92 ii) in EEFC accounts 726.96 503.46 iii) in deposit accounts 500.78		(i) In earmarked accounts (Refer Note (i) below)			
*comprises: (a) Cash on hand (b) Funds-in-transit (c) Cheques on hand (d) Balances with banks i) in current accounts ii) in EEFC accounts iii) in deposit accounts (d) These earmarked account balances with banks on be utilised only for the specific identified purposes.		- Unpaid dividends accounts		253.02	254.36
(a) Cash on hand 0.97 0.80 (b) Funds-in-transit 547.17 323.17 (c) Cheques on hand 81.00 176.21 (d) Balances with banks 31.00 176.21 (i) In current accounts 2,872.40 790.92 (ii) In EEFC accounts 726.96 503.46 (iii) In deposit accounts 500.78 - (i) These earmarked account balances with banks can be utilised only for the specific identified purposes. 1 & 2		Cash and cash equivalents at the end of the year*		4,729.28	1,794.56
(b) Funds-in-transit 547.17 323.17 (c) Cheques on hand 81.00 176.21 (d) Balances with banks 2,872.40 790.92 i) in current accounts 2,872.40 790.92 ii) in EEFC accounts 726.96 503.46 iii) in deposit accounts 500.78 4,729.28 (i) These earmarked account balances with banks can be utilised only for the specific identified purposes. 1 & 2					
(c) Cheques on hand 81.00 176.21 (d) Balances with banks 790.92 i) in current accounts 2,872.40 790.92 ii) in EEFC accounts 726.96 503.46 iii) in deposit accounts 500.78 790.92 (i) These earmarked account balances with banks can be utilised only for the specific identified purposes. 4,729.28 1,794.56					
(d) Balances with banks i) in current accounts ii) in EEFC accounts iii) in deposit accounts iii) in deposit accounts iii) in deposit accounts iii) in deposit accounts (i) These earmarked account balances with banks can be utilised only for the specific identified purposes. Corporate information and significant accounting policies 1 & 2					
i) in current accounts ii) in EEFC accounts iii) in EEFC accounts iii) in deposit accounts iii) In these earmarked account balances with banks can be utilised only for the specific identified purposes. Corporate information and significant accounting policies 1 & 2				81.00	1/6.21
ii) in EEFC accounts iii) in deposit accounts iii) in deposit accounts iii) in deposit accounts Total accounts Total account balances with banks can be utilised only for the specific identified purposes. Corporate information and significant accounting policies 1 & 2				2 072 40	700.02
iii) in deposit accounts 500.78 4,729.28 1,794.56 (i) These earmarked account balances with banks can be utilised only for the specific identified purposes. Corporate information and significant accounting policies 1 & 2					
(i) These earmarked account balances with banks can be utilised only for the specific identified purposes. Corporate information and significant accounting policies 1 & 2		,			505.40
(i) These earmarked account balances with banks can be utilised only for the specific identified purposes. Corporate information and significant accounting policies 1 & 2		iii, iii deposit accounts			1,794.56
Corporate information and significant accounting policies 1 & 2		(i) These earmarked account balances with banks can be utilised only for the specific identified purposes		.,5.20	1,754.50
	Corp		1 & 2		
see the accompanying notes forming part of the financial statements		the accompanying notes forming part of the financial statements	-		

In terms of our report attached For **Deloitte Haskins & Sells** Chartered Accountants For and on behalf of the Board of Directors $% \left\{ \mathbf{p}_{i}^{T}\right\} =\mathbf{p}_{i}^{T}$

S. Ramadorai Shyamala Gopinath Madhukar Dev Sudha Madhavan G. Vaidyanathan Chairman Director Managing Director Chief Financial Officer Company Secretary

Mumbai, April 22, 2014

Mumbai, April 22, 2014

V. Balaji

Partner



1 Corporate information

Tata Elxsi Limited was incorporated in 1989. 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 headquartered in Bangalore, and operates through delivery centers in Bangalore, Chennai, Pune, Mumbai and Tiruvananthapuram.

Its sales operations are located in multiple cities in India, and in multiple international locations including Dubai, France, Germany, Japan, UK and USA.

2 Significant Accounting Policies

2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/ 2013 Act, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year

2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

2.3 Inventories

Components and spares are valued at lower of cost and net realizable 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.

2.4 Cash and cash equivalents (for purposes of Cash Flow Statement)

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.

2.5 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.6 Depreciation and amortisation

Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under:

Leasehold land is amortised over the duration of the lease

Assets costing less than ₹ 5,000 each are fully depreciated in the year of capitalisation

Intangible assets are amortised over their estimated useful life as follows:

In-house Technical Know-How – 3 years.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

2.7 Revenue recognition

Sale of goods

Income from sales of goods is recognised upon passage of risks and rewards of ownership to the goods, which generally coincide with the despatch. Sales exclude taxes and levies.

Income from services

- a) Income from services is recognized upon rendering of the services. Income from maintenance contracts relating to the year is recognized when the contracts are entered into on a time proportionate basis. The income excludes taxes and levies.
- b) Revenue from software development on fixed price, fixed time frame contracts is recognised as per the proportionate completion method. On time and materials contracts, revenue is recognised as the related services are rendered.
- c) In respect of orders procured, for which sales are effected directly to the customers by the vendors, the Company accounts only for the commission, installation and other charges to which it is entitled.

2.8 Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

2.9 Fixed Assets (Tangible/Intangible)

Fixed assets, are carried at cost less accumulated depreciation/amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than 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. 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.

Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Intangible assets under development:

Expenditure on Research and development (Refer Note 2.17) eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

2.10 Foreign currency transactions and translations

Initial recognition

- (i) Company: Transactions in foreign currencies entered into by the Company and its integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.
- (ii) Integral foreign operations: Transactions in foreign currencies entered into by the Company's integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.
- (iii) Non-integral foreign operations: Transactions of non-integral foreign operations are translated at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement of foreign currency monetary items at the Balance Sheet date

(i) Company: Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.



- (ii) Integral foreign operations: Foreign currency monetary items (other than derivative contracts) of the Company's integral foreign operations outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company's integral foreign operations are carried at historical cost.
- (iii) Non-integral foreign operations: All assets and liabilities of non-integral foreign operations are translated at the year-end rates.

Treatment of exchange differences

- (i) Company: Exchange differences arising on settlement/restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.
- (ii) Integral foreign operations: Exchange differences arising on settlement/restatement of foreign currency monetary assets and liabilities of the Company's integral foreign operations are recognised as income or expense in the Statement of Profit and Loss.
- (iii) Non-integral foreign operations: The exchange differences on translation of balances relating to non-integral foreign operations are accumulated in a "Foreign currency translation reserve" until disposal of the operation, in which case the accumulated balance in "Foreign currency translation reserve" is recognised as income / expense in the same period in which the gain or loss on disposal is recognised.

Accounting of forward contracts

Premium/discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date. Refer Note 2.21 for accounting for forward exchange contracts relating to firm commitments and highly probable forecast transactions.

2.11 Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

2.12 Employee benefits

Employee benefits include contribution to provident fund, superannuation fund, gratuity fund, compensated absences and employee state insurance scheme.

Defined contribution plans

The Company's contribution to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by employees.

Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled

2.13 Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market/fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue/ expenses/ assets/ liabilities".

2.14 Leases

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

2.15 Earnings per share

Basic earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.16 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961 and applicable Foreign tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed



depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

Current and deferred tax relating to items directly recognised in equity are recognised in equity and not in the Statement of Profit and Loss.

2.17 Research and development expenses

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technological feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Tangible Fixed Assets and Intangible Assets.

2.18 Impairment of assets

The carrying values of assets/cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

2.19 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events 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) are not discounted to their present value and are determined based on the 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 disclosed in the Notes.

2.20 Provision for warranty

As per the terms of the contracts, the Company provides post-contract services/warranty support to some of its customers. The Company accounts for the post-contract support/provision for warranty on the basis of the information available with the Management duly taking into account the current and past technical estimates.

2.21 Derivative contracts

The Company enters into derivative contracts in the nature of foreign currency options, forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign Currency Transactions and Translations.

All other derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

2.22 Insurance claims/Claims with ECGC

Insurance claims and claims with ECGC are accounted for on the basis of claims admitted/expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

2.23 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing/utilising the credits.

2.24 Operating Cycle

Based on the nature of products/activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

				As at	₹ lakhs As at
				31 March, 2014	31 March, 2013
3	SHARE CAPITAL				
	Authorised: 35,000,000 equity shares of ₹ 10/- each with	th voting rights		3,500.00	3,500.00
	Issued :	in voting rights			
	31,165,620 equity shares of ₹ 10/- each wit	th voting rights		3,116.56	3,116.56
	Subscribed and fully paid up:			2 442 02	2 442 02
	31,138,220 equity shares of ₹ 10/-each, wit Total	th voting rights		3,113.82 3,113.82	3,113.82 3,113.82
_					
Reco	onciliation of the number of shares and am Equity shares with voting rights Year ended 31 March, 2014	ount outstanding	at the beginning	Opening Balance	Closing Balance
	- Number of shares			31,138,220	31,138,220
	- Amount in ₹ lakhs			3,113.82	3,113.82
	Year ended 31 March, 2013 - Number of shares			31,138,220	31,138,220
	- Amount in ₹ lakhs			3,113.82	3,113.82
Det:	ails of shares held by each shareholder hold	ling more than 5%	& charec		
Dette	ans of shares field by each shareholder fiold	As at 31 M		As at 31 Ma	arch, 2013
Clas	s of shares/Name of share holder	Number of shares held	% of holding in that class of share		% of holding in that class of shares
	ty shares with voting rights				
	Sons Limited Insurance Corporation of India	13,147,632 1,134,198	42.22% 3.64%	-, ,	42.22% 7.22%
	·			, ,,,,,,	
one v	Company has only one class of Equity Sha vote per share. In the event of liquidation of of the remaining assets of the company, a erential amounts exist. The distribution wi	of the Company, the fter distribution of	ne holders of the of all preferentia	equity shares will be I amount. However, a	entitled to receive s on date no such
		, , , , , , , , , , , , , , , , , , ,		As at	As at
_			31 N	/larch, 2014	31 March, 2013
4	RESERVES AND SURPLUS Capital reserve:				
	Subsidy received from Kerala State G	Sovernment		25.00	25.00
	General reserve:				_
	Opening balance Add: Transferred from surplus in Statem	ent of Profit and Lo	4,909.82 ss 800.00	4,659.8 250.0	
	Add. Hansterred Hornsdipids in Statem	ient of Front and Lo	33800.00	5,709.82	<u>0</u> 4,909.82
	Surplus in Statement of Profit and Loss				•
	Opening balance Add: Net Profit for the year			11,136.09 7,510.74	11,108.66 2,098.94
	Balance available for appropriation		_	18,646.83	13,207.60
	Less:				
	 Dividend Proposed to be distributed t at ₹9/- per share (previous year ₹5/- per 		ers	2,802.44	1,556.91
	- Dividend tax	=1 311a1 <i>=)</i>	476.27	264.6	0
	Less: Tax paid on dividend received	d from subsidiary	64.79		<u>-</u>
	- Transfer to general reserve			411.48 800.00	264.60 250.00
	Closing halance		-	14 632 91	11 136 09

14,632.91

20,367.73

11,136.09

16,070.91

Closing balance

Total



			₹ lakhs
		As at	As at
		31 March, 2014	31 March, 2013
5	LONG-TERM PROVISIONS		
	Provision for compensated absences	428.64	402.07
	Provision for taxation (Net of advance tax)	82.65	82.65
	Total	511.29	484.72
6	SHORT-TERM BORROWINGS		
	Working capital loans from banks - Secured, payable on demand	_	4,189.90
	Secured by hypothecation of stocks of raw materials, finished		•
	goods, consumable stores, book debts etc.; pari passu charge on		
	immovable property at Karnataka and other movable properties		
	Loan from banks (unsecured)		1,660.75
	Total		5,850.65
_	TRADE DAVABLES		
7	TRADE PAYABLES		
	Trade payables	C F2C 22	F 042.00
	-Other than acceptances Total	6,536.22 6,536.22	<u>5,042.99</u> 5,042.99
	iotai		
8	OTHER CURRENT LIABILITIES		
	Advance from customers	973.82	72.23
	Unpaid dividend (Will be transferred to Investor Education and Protection Fund when due)	253.02	254.36
	Unearned revenue	759.14	767.63
	Other Payables	25.05	34.18
	Statutory Remittances (Contributions to PF and ESIC, Withholding Taxes, VAT, Service Tax, etc.)	886.33	1,191.06
	Payables on purchase of fixed assets	298.00	159.49
	Gratuity (Refer Note 24.1.b)	168.93	243.13
	Total	3,364.29	2,722.08
9	SHORT-TERM PROVISIONS		
,	a) Provision for employee benefits		
	Provision for compensated absences	309.50	63.74
	b) Provision others;	303.30	05.74
	Provision for warranty (Refer Note 24.9)	29.48	16.04
	Provision for taxation (Net of advance tax)	561.66	_
	Provision for proposed equity dividend	2,802.44	1,556.91
	Provision for tax on proposed equity dividend	476.27	264.60
	Less: Tax paid on dividend received from subsidiary	64.79 411.48	- 264.60
	Total	4,114.56	1,901.29

DESCRIPTION		GROS	S BLOCK			ACCUMU	ILATED DEPRI	ECIATION		NET B	LOCK
a. Tangible fixed Assets	As at 1 April, 2013	Additions	Disposals / Adjustment/ Retirals	As at 31 March, 2014		Depreciation/ Amortisation expense for the year	recognised/		As at 31 March, 2014	As at 31 March, 2014	As at 31 March, 2013
Land - Freehold	49.06	_	_	49.06	_	_	_	_	_	49.06	49.06
	(49.06)	(-)	(-)	(49.06)	(-)	(-)	(-)	(-)	(-)	(49.06)	
Land - Leasehold	85.01	_	_	85.01	24.84	3.40	_	_	28.24	56.77	60.17
	(85.01)	(-)	(-)	(85.01)	(19.46)	(5.38)	(-)	(-)	(24.84)	(60.17)	
Buildings	2,159.36	_	_	2,159.36	518.72	72.12	_	_	590.84	1,568.52	1,640.64
•	(2,159.36)	(-)	(-)	(2,159.36)	(446.58)	(72.14)	(-)	(-)	(518.72)	(1,640.64)	
Improvements to leasehold premises	623.32	178.67	479.03	322.96	539.24	83.54	-	479.03	143.75	179.21	84.08
	(595.89)	(27.43)	(-)	(623.32)	(418.36)	(120.88)	(-)	(-)	(539.24)	(84.08)	
Plant and machinery	13.20	_	_	13.20	7.76	0.71	_	_	8.47	4.73	5.44
·	(13.20)	(-)	(-)	(13.20)	(7.05)	(0.71)	(-)	(-)	(7.76)	(5.44)	
Computer equipment	8,365.79	652.92	3,968.13	5,050.58	5,599.10	859.81	-	3,966.21	2,492.70	2,557.88	2,766.69
	(7,500.92)	(885.81)	(20.94)	(8,365.79)	(4,665.38)	(943.25)	(-)	(9.53)	(5,599.10)	(2,766.69)	
Furniture and fixtures	1,416.58	71.60	163.76	1,324.42	728.38	87.58	-	163.76	652.20	672.22	688.20
	(1,413.90)	(5.52)	(2.84)	(1,416.58)	(644.85)	(84.88)	(-)	(1.35)	(728.38)	(688.20)	
Office equipment	771.08	89.87	1.51	859.44	268.88	43.23	-	0.20	311.91	547.53	502.20
	(726.47)	(47.40)	(2.79)	(771.08)	(232.57)	(37.08)	(-)	(0.77)	(268.88)	(502.20)	
Electrical installations	1,389.90	7.34	-	1,397.24	518.76	66.00	-	_	584.76	812.48	871.14
	(1,402.47)	(2.34)	(14.91)	(1,389.90)	(457.09)	(66.08)	(-)	(4.41)	(518.76)	(871.14)	
Air-conditioners	802.99	30.79	-	833.78	274.60	39.01	-	_	313.61	520.17	528.39
	(805.62)	(6.60)	(9.23)	(802.99)	(239.19)	(38.16)	(-)	(2.75)	(274.60)	(528.39)	
Vehicles	80.90	-	24.34	56.56	27.70	6.51	-	15.97	18.24	38.32	53.20
	(81.74)	(9.89)	(10.73)	(80.90)	(30.79)	(7.64)	(-)	(10.73)	(27.70)	(53.20)	
TOTAL	15,757.19	1,031.19	4,636.77	12,151.61	8,507.98	1,261.91	-	4,625.17	5,144.72	7,006.89	7,249.21
(Previous year)	(14,833.64)	(984.99)	(61.44)	(15,757.19)	(7,161.32)	(1,376.20)	(-)	(29.54)	(8,507.98)	(7,249.21)	
b. Intangible Assets											
i) Internally generated:											
Technical Know-how	1,050.89	1,655.44	763.92	1,942.41	594.70	998.13	582.84	763.92	1,411.75	530.66	456.19
	(763.92)	(286.97)	(-)	(1,050.89)	(254.64)	(340.06)	(-)	(-)	(594.70)	(456.19)	
ii) Acquired Intangibles:											
Computer Software	5,089.70	592.72	1,566.37	4,116.05	2,881.10	655.78	-	1,566.37	1,970.51	2,145.54	2,208.60
	(4,030.67)	(1,059.03)		(5,089.70)	(2,224.83)	(656.27)	(-)	(-)	(2,881.10)	(2,208.60)	
TOTAL	6,140.59	2,248.16	2,330.29	6,058.46	3,475.80	1,653.91	582.84	2,330.29	3,382.26	2,676.20	2,664.79
(Previous year)	(4,794.59)	(1,346.00)	(-)	(6,140.59)	(2,479.47)	(996.33)	(-)	(-)	(3,475.80)	(2,664.79)	
GRAND TOTAL	21,897.78	3,279.35	6,967.06	18,210.07	11,983.78	2,915.82	582.84	6,955.46	8,526.98	9,683.09	9,914.00
(Previous year)	(19,628.23)	(2,330.99)	(61.44)	(21,897.78)	(9,640.79)	(2,372.53)	(-)	(29.54)	(11,983.78)	(9,914.00)	

Note: Figures in brackets relate to previous year.



					₹ lakhs
			As at		As at
		31	March, 2014	31 [March, 2013
11	NON-CURRENT INVESTMENTS				
	A. Trade Investments:				
	Investment in Fully paid equity shares (Unquoted) of Tata Elxsi		20.67		20.67
	(Singapore) Pte Ltd a wholly owned subsidiary		28.67		28.67
	B. Other Non-Current Investments:				
	(i) Investment in BigV Telecom Private Limited, Mumbai -		_		_
	22,250 shares at ₹10/- each. (Refer Note 25)				
	(ii) Investment in Sismatik Solutions Private Limited,		_		_
	Bangalore - 1,000 shares at ₹ 10/- each. (Refer Note 25)				
	Total		28.67		28.67
12	LONG-TERM LOANS AND ADVANCES				
	(Unsecured, considered good unless otherwise stated)			F10 20	
	Advance to A Squared Elxsi Entertainment LLC, USA (Considered doubtful)	_		518.30	
	Less: Provision for doubtful advances	_	_	518.30	_
	Capital Advances		199.71		72.78
	Deposits		1,171.61		1,236.67
	Tax deducted at source/Advance tax paid (Net of provision for tax)		2,487.26		2,337.06
	Prepaid expenses		30.43		8.70
	MAT credit entitlement				
	Opening balance	1,788.75		2,180.75	
	Availed/(Utilised) during the year	(1,619.00)	169.75	(392.00)	1,788.75
	Total		4,058.76		5,443.96
13	INVENTORIES				
13	(At lower of cost or net realisable value)				
	Components and spares - for trading		_		31.22
	Total				31.22
14	TRADE RECEIVABLES (UNSECURED)				
	a) Trade receivables outstanding for a period exceeding				
	six months from the date they were due for payment				
	Considered good		182.06		719.89
	Considered doubtful		52.06		1,916.32
	Lass Dravisian for developing trade received		234.12		2,636.21
	Less: Provision for doubtful trade receivables		52.06 182.06		<u>1,916.32</u> 719.89
	b) Other Trade Receivables		102.00		/19.69
	Considered good		15,375.68		12,751.86
	Considered doubtful		297.20		
			15,672.88		12,751.86
	Less: Provision for doubtful trade receivables		297.20		
			15,375.68		12,751.86
	Total		15,557.74		13,471.75

15	CASH AND BANK BALANCES Cash and Cash Equivalents	As at 31 March, 2014	₹ lakhs As at 31 March, 2013
	Cash on hand	0.97	0.80
	Cheques on hand	81.00	176.21
	Funds-in-transit	547.17	323.17
	Balances with banks		
	i) in current accounts	2,872.40	790.92
	ii) in EEFC accounts	726.96	503.46
	iii) in deposit accounts	500.78	_
	Total Cash and Cash Equivalents (A)	4,729.28	1,794.56
	 Other bank balances i) in earmarked accounts Unpaid Dividends Account Total - Other bank balances (B) Total Cash and Bank Balances (A+B) 	253.02 253.02 4,982.30	254.36 254.36 2,048.92
16	SHORT-TERM LOANS AND ADVANCES		
	(Unsecured and considered good)		
	a) Loans and advances to employees	179.12	260.32
	b) Prepaid Expenses	623.71	404.16
	c) Balances with Govt Authorities:		
	i) VAT credit receivable	40.89	9.41
	ii) Service tax credit receivable	80.97	103.70
	d) Advance to suppliers/vendors	199.19	178.08
	e) Deposits	76.12_	38.85
	Total	1,200.00	994.52
17	OTHER CURRENT ASSETS		
	Unbilled revenue	1,919.19	1,574.10
	Total	1,919.19	1,574.10



			₹ lakhs
		Year ended	Year ended
		31 March, 2014	31 March, 2013
18	REVENUE FROM OPERATIONS		
	Sale of traded goods (Refer Note (i) below)	4,700.51	1,894.96
	Rendering of services (Refer Note (ii) below)	72,509.25	58,573.68
	Total	77,209.76	60,468.64
	(i) Sale of traded goods include sales of computers, networking and storage systems.		
	(ii) Rendering of services comprises:		
	(a) Product Design	66,427.07	53,415.58
	(b) Graphics Animation and Gaming	1,843.15	1,879.45
	(c) System Integration and Support	4,239.03	3,278.65
		72,509.25	58,573.68
19	OTHER INCOME		
	Interest from banks on deposits	21.30	3.71
	Interest - Others	5.89	155.08
	Dividend income from long-term investment - Subsidiary	381.24	138.63
	Net gain or (loss) on foreign currency transactions and translation	983.61	120.67
	Other non-operating income:		
	a) Hire charges	4.56	5.48
	b) Liabilities/provision no longer required written back	80.02	173.66
	c) Miscellaneous Income	91.82	25.36
	Total	1,568.44	622.59
20	PURCHASES		
	Purchase of traded goods - computers, networking and storage systems and components and parts	4,029.27	1,519.57
	Spares, consumables and others	3,244.90	2,974.24
	Total	7,274.17	4,493.81
20A	CHANGES IN INVENTORIES		
	Inventories at the end of the year:		
	Stock-in-trade - Components and spares	_	31.22
	Inventories at the beginning of the year:		
	Stock-in-trade - Components and spares	31.22	2.13
	Net (increase)/decrease	31.22	(29.09)
21	EMPLOYEE BENEFITS EXPENSES		
-	Salaries & wages	37,480.83	32,999.93
	Contribution to provident and other funds	1,006.43	1,065.20
	Staff welfare expenses	1,808.70	1,084.14
	Total	40,295.96	35,149.27

				₹ lakhs
		Year ended		Year ended
		31 March, 2014	31	March, 2013
22	OTHER EXPENSES			
	Operating lease rentals (Refer Note 24.5)	1,407.80		1,316.69
	Rates and taxes	78.45		121.68
	Power and fuel	769.43		790.04
	Repairs and maintenance : Building	241.55		200.36
	: Plant and machinery	248.22		302.26
	: Others	280.46		263.21
	Communication expenses	742.96		770.98
	Inland travel and conveyance	1,192.72		1,028.60
	Overseas travel	3,388.87		2,360.04
	Advertisement and sales promotion expenses	440.92		432.73
	Commission on sales	185.02		114.38
	Hire charges	17.10		81.79
	Printing and stationery	67.86		58.03
	Motor vehicle expenses	297.22		263.85
	Recruitment	79.76		76.02
	Training	65.19		58.79
	Consultant fees for software development	4,351.84		4,557.26
	Legal and professional charges	668.63		561.96
	Secretarial charges	13.10		12.34
	Insurance	97.62		77.72
	Loss on sale of assets (net)	5.67		4.47
	Bank and other charges	72.51		61.79
	Commission to non-executive directors	97.00		25.00
	Auditors' remuneration (Refer Note (i) below)	34.24		38.46
	Bad debts/advances written off (net of credit balances)	3,013.25	108.38	
	Less: Amount transferred from provision for doubtful debts/advances	2,434.62 578.63		108.38
	Provision for doubtful debts/ advances	349.26		128.39
	Provision for doubtful advance	_		106.55
	Provision / (Reversal) for warranty (net) (Refer Note 24.9)	13.44		(0.48)
	General expenses	211.50		26.90
	Total	15,996.97		13,948.19
	Note (i): Payments to the auditors comprises:			
	As auditors - statutory audit	29.25		29.25
	Company law matters	0.75		0.75
	Other Services	2.30		3.15
	Reimbursement of expenses	1.94		5.31
	Total	34.24		38.46
		 -		



				₹ lakhs
			As at 31 March, 2014	As at 31 March, 2013
23	Con	tingent liabilities and commitments (to the extent not provided for)	March, 2014	Waren, 2013
	(i)	Contingent liabilities		
	.,	(a) Claims against the Company not acknowledged as debt		
		Disputed demands for Income Tax aggregates	502.40	502.40
		2. Disputed demands for Wealth Tax aggregates	25.89	25.89
		3. Disputed amount of Sales Tax aggregates	_	656.72
		4. Service tax matters	842.26	842.26
		Other claims not acknowledged as debts	_	484.85
		(b) Guarantees- Guarantees given to a Housing Finance Company for housing loans availed by employees during their employment with the company	51.85	73.96
	(ii)	Capital Commitments :		
		Estimated amount of contracts remaining to be executed on capital account and not provided for		
		Tangible fixed assets	780.00	465.29
		Intangible assets	314.99	250.39
23.1		losures required under Section 22 of the Micro, Small and Medium erprises Development Act, 2006		
	(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year	_	_
	(ii)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
	(iii)	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	4.95	9.52
	(iv)	The amount of interest due and payable for the year	0.07	0.26
	(v)	The amount of interest accrued and remaining unpaid at the end of the accounting year	-	_
	(vi)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	_	_

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. This has been relied upon by the auditors.

23.2 Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges

Loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties:

₹ lakhs Name of the party Relationship Amount Maximum balance outstanding As at outstanding 31 March, 2014 during the year Tata Elxsi (Singapore) Pte Ltd. Subsidiary Investments 28.67 28.67 (28.67)(28.67)A Squared Elxsi Entertainment LLC, USA Proposed (Refer Note 24.4.c) Subsidiary (503.48)(2,093.05)

Note: Figures in brackets relate to the previous year.

23.3 Details on derivatives instruments and unhedged foreign currency exposures

- I. The following derivative positions are open as at 31 March, 2014. These transactions have been undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets and may / may not qualify or be designated as hedging instruments. The accounting for these transactions is stated in Notes 2.10 and 2.21.
- (a) Forward exchange contracts and options (being derivative instruments), which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables.
- (i) Outstanding forward exchange contracts entered into by the Company as on 31st March, 2014-Nil Previous year (Nil)

(ii) Outstanding option contracts entered into by the Company as on 31st March, 2014

Currency	Amount	Buy / Sell	Remarks
USD	10.00 lakhs	Sell	₹ 630.00 lakhs
	(10.00 lakhs)	Sell	(₹551.00 lakhs)
EURO	2.50 lakhs	Sell	₹ 212.20 lakhs
	Nil	Sell	Nil
GBP	7.50 lakhs	Sell	₹ 765.00 lakhs
	(5.00 lakhs)	Sell	(₹ 440.25 lakhs)

Note: Figures in brackets relate to the previous year.

II. (a) The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

	otherwise are given be	IOW.			
	As at 31 March, 2014			As at 31 March, 2	013
Reco	eivable	Receivable	Red	ceivable	Receivable
in Foreig	gn currency		in Forei	ign currency	
la	akhs	₹ lakhs		lakhs	₹ lakhs
Euro	27.34	2,260.97	Euro	33.25	2,312.66
GBP	59.07	5,893.29	GBP	43.26	3,563.09
USD	62.27	3,730.83	USD	83.76	4,559.14
JPY	792.48	460.11	JPY	1,441.19	833.27
ZAR	76.37	431.49	ZAR	34.86	206.16
KRW	20.50	1.15	KRW	20.48	1.00
AED	-	_	AED	0.50	7.40
CAD	0.63	34.07	CAD	Nil	_



(b) Amount payable in foreign currency on account of purchase of goods, services and borrowings

As at 31 March, 2014			As at 31 March, 20	13	
Pay	able		Pay	able	
in Foreig	n currency	Payable	in Foreig	n currency	Payable
la	khs	₹lakhs	la	khs	₹lakhs
Euro	3.03	250.87	Euro	1.91	133.02
GBP	1.81	181.06	GBP	1.54	126.90
USD	12.70	761.08	USD	76.03	4,138.31
JPY	29.04	16.86	JPY	44.99	26.01
SGD	_	_	SGD	0.01	0.32
MYR	0.22	4.07	MYR	0.21	3.64
ZAR	0.12	0.68	ZAR	0.15	0.91
CHF	_	_	CHF	0.16	9.25

			₹ lakhs
23.4	Value of imports calculated on CIF basis:	For the year ended	For the year ended
		31 March, 2014	31 March, 2013
	Computer systems, peripherals, software etc,.	404.27	1,465.26
	Capital goods	757.02	742.15
		1,161.29	2,207.41
23.5	Expenditure in foreign currency:		
	Overseas Office expenses	20,955.49	12,631.56
	Foreign Travel	1,793.67	1,575.16
	Other expenditure	2,238.18	1,449.04
		24,987.34	15,655.76
23.6	Earnings in foreign currency:		
	Service Income	61,360.67	48,742.15
	Sales and Support	456.85	592.98
	Dividend	381.24	138.63
		62,198.76	49,473.76

24 Disclosures under Accounting Standards

24.1 Employee benefit plans

24.1.a Defined contribution plans

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans 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 ₹ 608.74 lakhs (Year ended 31st March, 2013 ₹ 628.74 lakhs) for Provident Fund contributions and ₹ 242.41 lakhs (Year ended 31st March, 2013 ₹ 232.69 lakhs) for Superannuation Fund contributions, Employee state Insurance Scheme ₹ 3.46 lakhs (Year ended 31st March, 2012 ₹ 3.57 lakhs) in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

24.1.b Defined benefit plans

The Company offers gratuity (included as part of Contribution to Provident and other funds in Note 21 Employee benefits expense) to its employees under defined benefit plans.

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

		₹ lakhs
Particulars	Year ended	Year ended
Components of employer expense	31 March, 2014	31 March, 2013
Current service cost	140.03	102.11
Interest cost	66.17	56.52
Expected return on plan assets	(50.81)	(38.31)
Curtailment cost/(credit)	(30.81)	(30.51)
Settlement cost/(credit)	_	_
Past service cost	_	_
Actuarial losses/(gains)	(0.11)	83.41
Total expense recognised in the Statement of Profit and Loss	155.28	203.73
Total expense recognised in the statement of Front and 2003	133.20	203.73
Actual contribution and benefit payments for year		
Actual benefit payments	47.24	83.32
Actual contributions	229.48	180.00
Net asset/(liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	(953.90)	(827.18)
Fair value of plan assets	784.97	584.05
Funded status [Surplus/(Deficit)]	(168.93)	(243.13)
Unrecognised past service costs	_	_
Net asset/(liability) recognised in the Balance Sheet	(168.93)	(243.13)
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	827.18	664.89
Current service cost	140.03	102.11
Interest cost	66.17	56.52
Curtailment cost/(credit)	-	-
Settlement cost/(credit)	_	_
Plan amendments	_	_
Acquisitions	_	_
Actuarial (gains)/losses	(32.24)	86.98
Past service cost	, ,	_
Benefits paid	(47.24)	(83.32)
Present value of DBO at the end of the year	953.90	827.18
Change in fair value of assets during the year		
Plan assets at beginning of the year	584.05	445.49
Acquisition adjustment	-	
Expected return on plan assets	50.81	38.31
Actual company contributions	229.48	180.00
Actuarial gain/(loss)	(32.13)	3.57
Benefits paid	(47.24)	(83.32)
Plan assets at the end of the year	784.97	584.05
Actual return on plan assets	18.68	41.88



Particulars	Year ended	Year ended	
	31 March, 2014	31 March, 2013	
	₹lakhs	₹lakhs	
Composition of the plan assets is as follows:			LIC- Mortality (1994-96)Table
Government bonds	42.31%	42.07%	21-30 years 10%
Debentures and Bonds	37.50%	42.85%	31-40 years 5%
Equity	4.69%	5.22%	41-50 years 3%
Others	15.50%	9.86%	51 & above 2%
Actuarial assumptions			
Discount rate	9.03%	8.00%	
Expected return on plan assets	8.70%	8.70%	
Salary escalation	5.00%	5.00%	
Attrition: If past service <5 years	10.00%	10.00%	
: If past service >5 years	8.00%	8.00%	
Estimates of amount of contribution in the immediate next year	305.79	383.16	

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.

24.2 Experience adjustments

2009-	2010	

					₹ lakhs
	2013-14	2012-13	2011-12	2010- 11	2009- 2010
Gratuity					
Present value of DBO	(953.90)	(827.18)	(664.89)	(552.64)	(533.67)
Fair value of plan assets	784.97	584.05	445.49	278.64	204.68
Funded status [Surplus/(Deficit)]	(168.93)	(243.13)	(219.40)	(274.00)	(328.99)
Experience (gain)/loss adjustments on plan liabilities	33.94	59.76	42.82	(57.07)	(5.23)
Experience gain/(loss) adjustments on plan assets	(32.13)	3.57	32.54	(25.73)	0.96

	For the year ended 31 March, 2014	For the year ended 31 March, 2013
Actuarial assumptions for long-term compensated absences		
Discount rate	9.03%	8.00%
Expected return on plan assets	8.70%	8.70%
Salary escalation	5.00%	5.00%
Attrition: If past service <5 years	10.00%	10.00%
: If past service >5 years	8.00%	8.00%

24.3 Segment information

The Company has identified business segments as its primary segment and geographic segments as its secondary segment. Business segments are primarily System integration & support and Software Development & Services. 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 that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably amongst segments are not allocated to primary and secondary segments. Geographical revenues are allocated based on the location of the customer. Geographic segments of the Company are India, Europe, US, Japan and Others

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Particulars	For the ve	ear ended 31 Marc	₹ lakhs :h, 2014
	Business	Total	
	System Integration & Support	Software Development & Services	
Revenue	8,939.54	68,270.22	77,209.76
	(5,173.61)	(55,295.03)	(60,468.64)
Segment result	741.26	13,790.44	14,531.70
	(22.88)	(6,239.00)	(6,216.12)
Unallocable expenses (net)			2,850.48
			(1,059.60)
Operating income			11,681.22
		_	(5,156.52)
Interest			182.68
		<u></u>	(390.76)
Profit before taxes			11,498.54
		_	(4,765.76)
Exceptional items			_
		_	(1,589.57)
Tax expense			3,987.80
			(1,077.25)
Net profit for the year			7,510.74
			(2,098.94)

Segment assets include all assets relating to the segment and consist principally of Fixed assets, Receivables, Other current assets and non-current assets.



Segment liabilities include all liabilities relating to the segment and consist principally of Trade payables and other operating liabilities

			₹ lakhs	
Particulars	For the year ended 31 March, 2014			
		segments	Total	
	System	Software		
	Integration	Development		
	& Support	& Services		
Segment assets	2,963.92	19,963.69	22,927.61	
	(1,739.81)	(16,017.06)	(17,756.87)	
Unallocable assets			13,078.62	
		_	(13,565.02)	
Total assets			36,006.23	
			(31,321.89)	
Segment liabilities	2,281.96	4,212.75	6,494.71	
-	(1,546.40)	(3,311.20)	(4,857.60)	
Unallocable liabilities			7,516.93	
			(5,025.06)	
Total liabilities			14,011.64	
			(9,882.66)	
Other information		_		
Capital expenditure (unallocable)			3,279.35	
			(2,330.99)	
Depreciation and amortisation	66.44	3432.22	3,498.66	
-p	(89.34)	(2,283.19)	(2,372.53)	
Provision for doubtful debts	,	() /	349.26	
			(128.39)	
Bad debts written off			578.63	
			(108.38)	
Provision for doubtful advance			(
			(106.55)	
			(100.55)	

The geographic segments individually contributing 10 percent or more of the Company's revenues and segment assets are shown separately:

Geographic Segment	Revenues	Segment assets	Capital expenditure
	for the year ended	as at	incurred during the year
	31 March, 2014	31 March, 2014	ended 31 March, 2014
India	15,733.90	22,031.70	3,267.49
	(11,428.31)	(19,883.87)	(2,271.90)
US	22,956.64	3,609.11	8.72
	(18,530.90)	(4,515.99)	(17.12)
Europe	33,640.88	9,031.87	2.50
	(23,790.93)	(5,923.71)	(40.71)
Japan	2,347.12	490.86	0.64
	(5,055.93)	(625.59)	(1.26)
Others	2,531.22	842.69	-
	(1,662.57)	(372.73)	-
Total	77,209.76	36,006.23	3,279.35
	(60,468.64)	(31,321.89)	(2,330.99)

Note: Figures in bracket relates to the previous year.

Segment revenue in India comprises revenue from System Integration and software development and services. Segment revenue outside India predominantly comprises revenue from software development and services. Segment assets include all assets relating to the segment and consist principally of Fixed assets, Receivables, Inventory, Other Current and Non-Current Assets. Assets located outside India primarily relate to Trade Receivables.

24.4 Related party transactions

24.4.a Details of related parties:

Description of relationship	Names of related parties
Company with Significant Influence	Tata Sons Ltd.
Subsidiary	Tata Elxsi (Singapore) Pte Ltd.
Entity on which the Company has significant influence	A squared Elxsi Entertainment LLC, USA (upto 22nd June, 2012)
Key Management Personnel (KMP)	Mr. Madhukar Dev- Managing Director

Note: Related parties have been identified by the Management.

24.4.b Details of related party transactions during the year ended 31 March, 2014 and balances outstanding as at 31 March, 2014:

as at 31 March, 2014:					₹ lakhs
Particulars	Company with	Subsidiary	Entity on which the	KMP	Total
	Significant Influence		Company has significant influence		
Rendering of services		-			-
		(22.06)			(22.06)
Reimbursement of expenses		8.93			8.93
		(21.14)			(21.14)
Dividend paid	657.38				657.38
	(920.33)				(920.33)
Dividend received		381.24			381.24
		(138.63)			(138.63)
Receiving of services- Brand fee and other Services	206.95				206.95
	(185.46)				(185.46)
Managerial remuneration and commission				224.94	224.94
				(140.58)	(140.58)
Balances outstanding at the end of the year					
Trade receivables		-	_		-
		(1.12)	(503.48)		(504.60)
Trade payable	196.71			100.00	296.71
	(175.07)			(40.00)	(215.07)

Note: Figures in brackets relates to the previous year.

24.4.c Advance to A Squared Elxsi Entertainment LLC, USA

Exceptional item in the previous year relates to the settlement of the demand received from the Banker to whom the Company had given a financial guarantee on behalf of A Squared Elxsi Entertainment LLC, USA ("A2E2"), an entity that was proposed to be a joint venture company of the Company.



Particulars For the year ended 31 March, 2014 51 March, 2015 Details of leasing arrangements The Company has entered into operating lease arrangements for certain facilities and office premises. Some of these leases are non-cancellable and are for a period of one to three years and may be renewed based on mutual agreement of the parties. These lease agreements provide for an increase in the lease payments upto 15% as per lease agreements. Future minimum lease payments root later than one year later than one year and not later than five years				₹lakhs
Details of leasing arrangements Forte Fo		Particulars		
for certain facilities and office premises. Some of these leases are non-cancellable and ref or a period of one to three years and may be renewed based on mutual agreement of the parties. These lease agreements provide for an increase in the lease payments upto 15% as per lease agreements. Future minimum lease payments not later than one year and not later than five years 267.49 415.64 later than five years 329.72 488.96 later than five years 1,316.69 Particulars For the year ended 31 March, 2011 51.66.90 Particulars For the year attributable to the equity shareholders (7,510.74 2,098.94 (7 lakhs)) Weighted average number of equity shares 31,138,220 31,138,220 Par value per share (7) 10.00 Earnings per share -Basic and diluted (8) 24.11 2 6.74 Particulars As a tall March, 2011 10.00 10.00 Earnings per share -Basic and diluted (8) 24.12 6.74 Particulars As a tall March, 2014 As at 31 March, 2013 24.10 10.00 10	24.5	Details of leasing arrangements	<u> </u>	· · · · · · · · · · · · · · · · · · ·
be renewed based on mutual agreement of three years and may be renewed based on mutual agreement of the parties. These lease agreements provide for an increase in the lease payments upto 15 % as per lease agreements. Future minimum lease payments not later than one year on the lease payments of later than one year and not later than five years 329.72 488.96 later than five years 329.72 488.96 later than five years Nill Nill Lease payments recognised in the Statement of Profit and Loss 1,407.80 1,316.60 Particulars For the year ended 31 March, 2013 1 March, 2013 24.6 Earnings per share Basic Net profit(loss) for the year attributable to the equity shareholders (7.510.74 2.098.94 (8 lakhs) (1 lakhs) 31,138,220 31,138,220 31,138,220 Par value per share (8) 10.00				
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agreements provide for an increase in the lease payments upto 15 % as per lease agreements. Future minimum lease payments not later than one year and not later than five years 232.9.72 488.96 later than five years 232.9.72 180.00 1,316.60 180.00 1,407.80 1,316.60 180.00 1,316.60 180.00 1,316.60 180.00 1,316.60 180.00 1,316.60 180.00 1,316.60 180.00 1				
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Lease payments recognised in the Statement of Profit and Loss1,407.801,316.69ParticularsFor the year ended 31 March, 2014For the year ended 31 March, 201324.6Earnings per share Basic Net profit/(loss) for the year attributable to the equity shareholders (? lakhs)7,510.742,098.94Weighted average number of equity shares31,138,22031,138,220Par value per share (?)10.0010.00Earnings per share - Basic and diluted (?)24.126.74ParticularsAs at 31 March, 2014As at 31 March, 2013Deferred tax (liability) / assetTax effect of items constituting deferred tax liability On difference between book balance and tax balance of fixed assets Tax effect of items constituting deferred tax liability(1,277.37)(1,920.62)Tax effect of items constituting deferred tax assets(1,277.37)(1,920.62)Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961, etc.593.371,473.62Tax effect of items constituting deferred tax assets593.371,473.62Net deferred tax (liability)/assetFor the year ended 31 March, 2014447.00)24.8Details of expenditure recognised as employee benefit expenses and other expenses in Note 21 and 22 respectively are net of the following expenses that have been capitalised as part of intangible assets/intangible assets/intangible assets/intangible assets under development.217.20780.60b) Other expenses217.20780.60b) Other expenses72.40260.20			329.72	488.96
Particulars Earnings per share Basic Net profit/(loss) for the year attributable to the equity shareholders (7,510.74) (7 lakhs) Weighted average number of equity shares Par value per share (8) Earnings per share (9) Earnings per share (10,000) Earnings				
24.6 Earnings per share Basic Net profit/(loss) for the year attributable to the equity shareholders (7,510.74) Weighted average number of equity shares Par value per share (7) Earnings per share - Basic and diluted (7) Particulars As at 31 March, 2014 Particulars As at 31 March, 2014 As at 31 March, 2014 Particulars As at 31 March, 2014 As at 31 March, 2014 As at 31 March, 2015 As at 31 March, 2016 As at 31 March, 2016 As at 31 March, 2017 As at ffect of items constituting deferred tax liability On difference between book balance and tax balance of fixed assets Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961, etc. Tax effect of items constituting deferred tax assets Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961, etc. Particulars Particulars For the year ended 31 March, 2014 Particulars For the year ended 31 March, 2013 Details of expenditure recognised as employee benefit expenses and other expenses in Note 21 and 22 respectively are net of the following expenses that have been capitalised as part of intangible assets/intangible assets under development. a) Employee benefits expense Employee benefits expense Tax. 217.20 Tax.		Lease payments recognised in the Statement of Profit and Loss	1,407.80	1,316.69
24.6 Earnings per share Basic Net profit/(loss) for the year attributable to the equity shareholders (7 lakhs) Weighted average number of equity shares Par value per share (₹) Earnings per share - Basic and diluted (₹) Particulars As at 31 March, 2014 As at 31		Particulars	For the year ended	For the year ended
Basic Net profit/(loss) for the year attributable to the equity shareholders (₹ lakhs) Weighted average number of equity shares Weighted average number of equity shares Par value per share (₹) Earnings per share - Basic and diluted (₹) Particulars As at 31 March, 2014 Particulars As at 31 March, 2014 As at 31 March, 2013 Particulars As at 31 March, 2013 Particulars As at 31 March, 2014 As at 31 March, 2013 Particulars As at 31 March, 2014 As at 31 March, 2013 Particulars As at 31 March, 2013 Particulars As at 31 March, 2013 Particulars As at 31 March, 2014 As at 31 March, 2013 Particulars As at 31 March, 2013 Particulars As at 31 March, 2014 As at 31 March, 2013 Particulars As at 31 March, 2014 As at 31 March, 2013 Particulars As at 31 March, 2014 As at 31 March, 2013 Particulars As at 31 March, 2014 As at 31 March, 2014 As at 31 March, 2013 Particulars As at 31 March, 2014 As at 31 March, 2013 Particulars As at 31 March, 2014 As at 31 March, 2013 Particulars As at 31 Ma			31 March, 2014	31 March, 2013
Net profit/(loss) for the year attributable to the equity shareholders (₹ lakhs) Weighted average number of equity shares Par value per share (₹) Earnings per share - Basic and diluted (₹) Particulars As at 31 March, 2014 Particulars As at 31 March, 2014 Particulars As at 31 March, 2014 As at 31 March, 2014 As at 31 March, 2015 Tax effect of items constituting deferred tax liability On difference between book balance and tax balance of fixed assets Tax effect of items constituting deferred tax liability Tax effect of items constituting deferred tax liability Tax effect of items constituting deferred tax assets Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961, etc. Tax effect of items constituting deferred tax assets Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961, etc. Particulars Particulars For the year ended 31 March, 2014 Particulars For the year ended 31 March, 2013 Particulars Particulars For the year ended 31 March, 2013 Employee benefits expenses and other expenses in Note 21 and 22 respectively are net of the following expenses that have been capitalised as part of intangible assets/intangible assets under development. a) Employee benefits expense Particulars For the year ended 31 March, 2013 For the year ended 31 March, 2013	24.6	Earnings per share		
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Par value per share (₹) 10.00 10.00 Earnings per share - Basic and diluted (₹) 24.12 6.74 Particulars As at 31 March, 2014 As at 31 March, 2013 Deferred tax (liability) / asset Tax effect of items constituting deferred tax liability On difference between book balance and tax balance of fixed assets Tax effect of items constituting deferred tax liability (1,277.37) (1,920.62) Tax effect of items constituting deferred tax assets Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961, etc. Tax effect of items constituting deferred tax assets Net deferred tax (liability)/asset 593.37 1,473.62 Net deferred tax (liability)/asset (684.00) (447.00) Particulars For the year ended 31 March, 2014 31 March, 2013 24.8 Details of expenditure recognised as employee benefit expenses and other expenses in Note 21 and 22 respectively are net of the following expenses that have been capitalised as part of intangible assets/intangible assets under development. a) Employee benefits expense b) Other expenses			7,510.74	2,098.94
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Deferred tax (liability) / asset Tax effect of items constituting deferred tax liability On difference between book balance and tax balance of fixed assets Tax effect of items constituting deferred tax liability Tax effect of items constituting deferred tax liability Tax effect of items constituting deferred tax assets Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961, etc. Tax effect of items constituting deferred tax assets Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961, etc. Tax effect of items constituting deferred tax assets Net deferred tax (liability)/asset Particulars For the year ended 31 March, 2014 To the year ended 31 March, 2014 To the year ended 31 March, 2014 Details of expenditure recognised as employee benefit expenses and other expenses in Note 21 and 22 respectively are net of the following expenses that have been capitalised as part of intangible assets/intangible assets under development. a) Employee benefits expense Particulars For the year ended 31 March, 2014 To th		Particulars	As at 31 March, 2014	As at 31 March 2013
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Tax effect of items constituting deferred tax assets Net deferred tax (liability)/asset Particulars Particulars Particulars Postails of expenditure recognised as employee benefit expenses and other expenses in Note 21 and 22 respectively are net of the following expenses that have been capitalised as part of intangible assets/intangible assets under development. a) Employee benefits expense b) Other expenses Other expenses Tax effect of items constituting deferred tax assets For the year ended 31 March, 2014 Tax effect of items constituting deferred tax assets For the year ended 31 March, 2014 Tax effect of items constituting deferred tax assets For the year ended 31 March, 2014 Tax effect of items constituting deferred tax assets For the year ended 31 March, 2014 Tax effect of items constituting deferred tax assets For the year ended 31 March, 2014 Tax effect of items constituting deferred tax assets For the year ended 31 March, 2014 Tax effect of items constituting deferred tax assets For the year ended 31 March, 2014 Tax effect of items constituting deferred tax assets For the year ended 31 March, 2014 Tax effect of items constituting deferred tax (liability)/asset 1,473.62 For the year ended 31 March, 2014 Tax effect of items constituting deferred tax (liability)/asset 1,473.62 For the year ended 31 March, 2014 Tax effect of items constituting deferred tax (liability)/asset 1,473.62 For the year ended 31 March, 2014 Tax effect of items constitution (ease) For the year ended 31 March, 2014 Tax effect of items constitution (ease) For the year ended 31 March, 2014 Tax effect of items constitution (ease) For the year ended 31 March, 2014 Tax effect of items constitution (ease) For the year ended 31 March, 2014 Tax effect of items constitution (ease) For the year ended 31 March, 2014 Tax effect of items constitution (ease) For the year ended 31 March, 2014 Tax effect o				
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Particulars Particulars Details of expenditure recognised as employee benefit expenses and other expenses in Note 21 and 22 respectively are net of the following expenses that have been capitalised as part of intangible assets/intangible assets under development. a) Employee benefits expense b) Other expenses For the year ended 31 March, 2013 For the year ended 31 March, 2014 217.20 780.60		Tax effect of items constituting deferred tax assets	593.37	1,473.62
24.8 Details of expenditure recognised as employee benefit expenses and other expenses in Note 21 and 22 respectively are net of the following expenses that have been capitalised as part of intangible assets/intangible assets under development. a) Employee benefits expense b) Other expenses 217.20 780.60 260.20		Net deferred tax (liability)/asset	(684.00)	(447.00)
24.8 Details of expenditure recognised as employee benefit expenses and other expenses in Note 21 and 22 respectively are net of the following expenses that have been capitalised as part of intangible assets/intangible assets under development. a) Employee benefits expense b) Other expenses 217.20 780.60 260.20				
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b) Other expenses <u>72.40</u> 260.20	24.8	and other expenses in Note 21 and 22 respectively are net of the following expenses that have been capitalised as part of intangible	·	
			217.20	
Total 289.60 1,040.80		b) Other expenses	72.40	260.20
		Total	289.60	1,040.80

24.9 Details of provisions

The Company has made provision for various contractual obligations and disputed liabilities based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below:

					₹lakhs
Particulars	As at 31 March, 2013	Additions	Utilisation	Reversal (withdrawn as no longer required)	As at 31 March, 2014
Provision for warranty	16.04	84.32	_	70.88	29.48
	(16.52)	(63.60)	(–)	(64.08)	(16.04)

Note: Figures in brackets relate to the previous year.

Of the above, the following amounts are expected to be incurred within a year:

		₹lakhs
Particulars	As at	As at
	31 March, 2014	31 March, 2013
Provision for warranty	29.48	16.04

25 The Company has 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.

Name of the Company	No. Shares allotted/ Transferred	Face Value of shares (₹)
Big V Telecom Pvt. Ltd.	22,250	10
Sismatik Solutions Private Limited	1,000	10

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/-. Any gain on such investment will be recognized on its disposal.

26 Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

For and on behalf of the Board of Directors

S. RamadoraiChairmanShyamala GopinathDirectorMadhukar DevManaging DirectorSudha MadhavanChief Financial OfficerG.VaidyanathanCompany Secretary

Mumbai, April 22, 2014



Independent Auditors' Report

TO THE BOARD OF DIRECTORS OF TATA ELXSI LIMITED

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of **TATA ELXSI LIMITED** (the "Company") and its subsidiary (the Company and its subsidiary constitute "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date: and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **DELOITTE HASKINS & SELLS** Chartered Accountants (Firm Registration No. 008072S)

V. Balaji Partner (Membership No. 203685)

Place: Mumbai, Date: April 22, 2014

Consolidated	Balance	Sheet as	s at 31	March, 2014
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			₹ lakhs
		As at	As at
	Note	31 March, 2014	31 March, 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	3,113.82	3,113.82
Reserves and surplus	4	20,457.27	16,403.50
		23,571.09	19,517.32
Non-current liabilities			
Long-term provisions	5	511.29	505.77
Deferred tax liabilities (Net)	24.7	684.00	447.00
		1,195.29	952.77
Current liabilities			
Short-term borrowings	6	_	5,850.65
Trade payables	7	6,578.91	5,318.87
Other current liabilities	8	3,364.29	2,984.56
Short-term provisions	9	4,123.39	1,901.29
		14,066.59	16,055.37
Total		38,832.97	36,525.46
ASSETS			
Non-current assets			
Fixed assets	10		
Tangible fixed assets		7,006.89	7,249.21
Intangible assets		2,676.20	2,664.79
Capital work-in progress		959.75	447.07
Intangible assets under development		302.41	1,679.25
		10,945.25	12,040.32
Non-current Investments	11	_	-
Long-term loans and advances	12	4,058.76	5,443.96
		15,004.01	17,484.28
Current assets			
Inventories	13	-	31.22
Trade receivables	14	15,561.11	14,097.51
Cash and bank balances	15	5,146.73	2,329.93
Short-term loans and advances	16	1,201.93	1,008.42
Other current assets	17	1,919.19	1,574.10
		23,828.96	19,041.18
Total		38,832.97	36,525.46
Corporate information and significant accounting policies	1 & 2		
See the accompanying notes forming part of the consolidated financial	statements		

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells

Chartered Accountants

V. Balaji Partner

Mumbai, April 22, 2014

S. Ramadorai Chairman
Shyamala Gopinath Director
Madhukar Dev Managing Director
Sudha Madhavan Chief Financial Officer
G. Vaidyanathan Company Secretary

Mumbai, April 22, 2014



Consolidated Statement of Profit and Loss for the year ended 31 March, 2014

•			₹ lakhs
		Year ended	Year ended
DEVENUE	Note	31 March, 2014	31 March, 2013
REVENUE	10	77 470 57	62.467.42
Revenue from operations	18	77,478.57	62,167.12
Other income	19	1,254.33	483.96
Total		78,732.90	62,651.08
EXPENSES			
Purchases	20	7,493.71	5,974.45
Changes in inventories - (Increase)/Decrease	20A	31.22	(29.09)
Employee benefits expense	21	40,295.96	35,149.27
Finance costs - Interest expense on borrowings		182.68	390.76
Depreciation/amortisation expense	10	3,498.66	2,372.53
Other expenses	22	16,012.07	13,866.81
Total		67,514.30	57,724.73
Profit before exceptional items and tax		11,218.60	4,926.35
Exceptional items (Refer Note No. 25)		-	1,589.57
Profit before tax		11,218.60	3,336.78
Tax expense			
i) Current Tax		(3,862.19)	(1,111.41)
ii) (Short)/Excess provision for tax relating to prior years		106.78	87.00
iii) Net current tax expense		(3,755.41)	(1,024.41)
iv) Deferred tax		(237.00)	(75.00)
Total		(3,992.41)	(1,099.41)
Profit after tax for the year		7,226.19	2,237.37
Share of loss from an Associate Company (Refer Note No. 25)		-	106.55
Net Profit for the year		7,226.19	2,130.82
Earnings per equity share of ₹10/- each (Refer Note 24.6)			
Basic and Diluted ₹		23.21	6.84
Corporate information and significant accounting policies	1 & 2		
See the accompanying notes forming part of the consolidated financial state	ements		

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells

Chartered Accountants

V. Balaji Partner

Mumbai, April 22, 2014

S. Ramadorai **Shyamala Gopinath** Madhukar Dev Sudha Madhavan **G.Vaidyanathan**

Chairman Director Managing Director Chief Financial Officer Company Secretary

Mumbai, April 22, 2014

Consolidated Cash Flow Statement for the year ended 31 March, 2014

COI	isolidated Cash Flow Statement for the ye	ear ended 31 March	, 2014	#1.11
			Year ended	₹ lakhs Year ended
			31 March, 2014	31 March, 2013
A.	Cash flows from operating activities		44 240 60	2 226 70
	Net Profit before tax Adjustment for:		11,218.60	3,336.78
	Depreciation and amortisation		3,498.66	2,372.53
	Interest income		(27.19)	(158.79)
	Finance costs		182.68	390.76
	Liabilities / Provision no longer required, written back		(151.81)	(173.66)
	Bad debts written off		578.63	108.38 128.39
	Provision for doubtful debts/advances Loss/(Profit) on sale of assets		349.26 5.67	128.39 4.47
	Unrealised exchange loss/(gains)		(51.85)	444.52
	Operating profit before working capital changes		15,602.65	6,453.38
	Changes in working capital:			
	Adjustments for (increase)/decrease in operating assets:			
	Deposits as Margin Money or Security against commitments		-	7.20
	Inventories Trade receivables		31.22	(29.09)
	Short-term loans and advances		(2,562.70) (176.42)	(1,765.29) (284.73)
	Long-term loans and advances		43.33	41.82
	Other current assets		(345.09)	(119.76)
	Adjustments for increase/(decrease) in operating liabilities:			
	Trade payables		1,343.73	641.60
	Other current liabilities		394.37	519.22
	Short-term provisions Long-term provisions		259.20 26.57	11.73 83.69
	Cash generated from operations		14,616.86	5,559.77
	Net Income tax paid		(1,737.17)	(1,771.34)
	Net cash flow from / (used in) operating activities		12,879.69	3,788.43
В.	Cash flows from investing activities			
	Capital Expenditure on of fixed assets/capital advances		(2,403.61)	(3,384.03)
	Proceeds from sale of fixed assets Interest received		5.93	27.43
	Net cash flow from/(used in) investing activities		27.19 (2,370.49)	<u>158.79</u> (3,197.81)
C.	Cash flows from financing activities		(2,570.45)	(3,137.01)
	Short term borrowings availed/ (re-paid) (net)		(5,850.65)	1,831.87
	Interest paid		(182.68)	(390.76)
	Dividend paid		(1,556.91)	(2,179.68)
	Tax on dividend paid		(264.60)	(353.54)
	Net cash flow from/(used in) financing activities Net increase/(decrease) in cash and cash equivalents		<u>(7,854.84)</u> 2,654.36	(1,092.11) (501.49)
	Cash and cash equivalents as at beginning of the year		2,075.57	2,425.63
	Exchange gain/(loss) on restatement of foreign currency cash and cash equival	ents	163.78	151.43
	Cash and cash equivalents as at end of the year		4,893.71	2,075.57
	Reconciliation of cash and cash equivalents with the Balance Sheet:			
	Cash and cash equivalents as per Balance Sheet (Refer Note 15)		5,146.73	2,329.93
	Less: Bank balances not considered as Cash and cash equivalents			
	as defined in AS 3 Cash Flow Statements (i) In earmarked accounts (Refer Note (i) below)			
	- Unpaid dividends accounts		253.02	254.36
	Cash and cash equivalents at the end of the year*		4,893.71	2,075.57
	*Comprises:			
	(a) Cash on hand		0.97	0.80
	(b) Funds-in-transit		547.17	323.17
	(c) Cheques on hand (d) Balances with banks		81.00	176.21
	i) in current accounts		3,036.83	1,071.93
	ii) in EEFC accounts		726.96	503.46
	iii) in deposit accounts		500.78	_
			4,893.71	2,075.57
(1)				
(i)	These earmarked account balances with banks can be utilised only for the spe			
	orate information and significant accounting policies he accompanying notes forming part of the consolidated financial statements	1 & 2		
	ms of our report attached		For and on hehalf of	the Board of Directors
	eloitte Haskins & Sells		Tor and on benan or	the board of birectors
	ered Accountants	S. Ramadorai		Chairman
		Shyamala Gopinath		Director
V. Bal	aii	Madhukar Dev Sudha Madhavan		Managing Director Chief Financial Officer
Partn		G. Vaidyanathan		Company Secretary
N 4	hai Anril 22 2014	Mumbai April 22 2014		
ivium	bai, April 22, 2014	Mumbai, April 22, 2014		



1 Corporate information

Tata Elxsi Limited was incorporated in 1989. The Company provides product design and engineering services to the consumer electronics, communications and 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 headquartered in Bangalore, and operates through delivery centers in Bangalore, Chennai, Pune, Mumbai and Tiruvananthapuram.

Its sales operations are located in multiple cities in India, and in multiple international locations including Dubai, France, Germany, Japan, UK and USA.

2 Significant Accounting Policies

2.1 Basis of accounting and preparation of financial statements

The consolidated financial statements of the Company and its subsidiary (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/2013 Act, as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

Principles of consolidation

The consolidated financial statements relate to TATA Elxsi Limited (the 'Company'), its subsidiary company and the Group's share of profit / loss in its associate. The consolidated financial statements have been prepared on the following basis:

- (i) The financial statements of the subsidiary company used in the consolidation are drawn up to the same reporting date as that of the Company i.e 31 March, 2014.
- (ii) The financial statements of the Company and its subsidiary company have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. Inter-company balances and transactions and unrealised profits or losses have been fully eliminated.
- (iii) The consolidated financial statements include the share of profit / loss of the associate company which has been accounted for using equity method as per AS 23 Accounting for Investments in Associates in Consolidated Financial Statements. Accordingly, the share of profit/ loss of the associate company (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investments.
- (iv) Minority interest is not computed as it is a wholly owned subsidiary.
- (v) Following subsidiary company has been considered in the preparation of the consolidated financial statements for the years ended March 31, 2014 and March 31, 2013 and following associate company has been considered in the preparation of consolidated financials statements for the year ended March 31, 2013:

Name of the Entity	Relationship	Country of Incorporation	% of share holding
Tata Elxsi (Singapore) Pte Ltd	Subsidiary	Singapore	100%
A Squared Elxsi Entertainment LLC	Associate	United States of America	_

2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

2.3 Inventories

Components and spares are valued at lower of cost and net realizable 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.

2.4 Cash and cash equivalents (for purposes of Cash Flow Statement)

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.

2.5 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.6 Depreciation and amortisation

Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under:

Leasehold land is amortised over the duration of the lease

Assets costing less than ₹ 5,000 each are fully depreciated in the year of capitalisation

Intangible assets are amortised over their estimated useful life as follows:

In-house Technical Know-How – 3 years.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

2.7 Revenue recognition

Sale of goods

Income from sales of goods is recognised upon passage of risks and rewards of ownership to the goods, which generally coincide with the despatch. Sales exclude taxes and levies

Income from services

- a) Income from services is recognized upon rendering of the services. Income from maintenance contracts relating to the year is recognized when the contracts are entered into on a time proportionate basis.
- b) Revenue from software development on fixed price, fixed time frame contracts is recognised as per the proportionate completion method. On time and materials contracts, revenue is recognised as the related services are rendered.
- c) In respect of orders procured, for which sales are effected directly to the customers by the vendors, the Company accounts only for the commission, installation and other charges to which it is entitled.

2.8 Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

2.9 Fixed Assets (Tangible / Intangible)

Fixed assets, are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes



(other than 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. 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.

Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Intangible assets under development:

Expenditure on Research and development (Refer Note 2.17) eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

2.10 Foreign currency transactions and translations

Initial recognition

- (i) Company: Transactions in foreign currencies entered into by the Company and its integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.
- (ii) Integral foreign operations: Transactions in foreign currencies entered into by the Company's integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.
- (iii) Non-integral foreign operations: Transactions of non-integral foreign operations are translated at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement of foreign currency monetary items at the Balance Sheet date

- (i) Company: Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.
- (ii) Integral foreign operations: Foreign currency monetary items (other than derivative contracts) of the Company's integral foreign operations outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company's integral foreign operations are carried at historical cost.
- (iii) Non-integral foreign operations: All assets and liabilities of non-integral foreign operations are translated at the year-end rates.

Treatment of exchange differences

- (i) Company: Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.
- (ii) Integral foreign operations: Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company's integral foreign operations are recognised as income or expense in the Statement of Profit and Loss.
- (iii) Non-integral foreign operations: The exchange differences on translation of balances relating to non-integral foreign operations are accumulated in a "Foreign currency translation reserve" until disposal of the operation, in which case the accumulated balance in "Foreign currency translation reserve" is recognised as income / expense in the same period in which the gain or loss on disposal is recognised.

Accounting of forward contracts

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date.

Refer Note 2.21 for accounting for forward exchange contracts relating to firm commitments and highly probable forecast transactions.

2.11 Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

2.12 Employee benefits

Employee benefits include contribution to provident fund, superannuation fund, gratuity fund, compensated absences and employee state insurance scheme.

Defined contribution plans

The Company's contribution to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by employees.

Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

2.13 Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market/ fair value factors.



Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

2.14 Leases

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

2.15 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.16 Taxes on income

'Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961 and Foreign tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

Current and deferred tax relating to items directly recognised in equity are recognised in equity and not in the Statement of Profit and Loss.

2.17 Research and development expenses

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technological feasibility has been

established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Tangible Fixed Assets and Intangible Assets.

2.18 Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

2.19 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events 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) are not discounted to their present value and are determined based on the 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 disclosed in the Notes.

2.20 Provision for warranty

As per the terms of the contracts, the Company provides post-contract services / warranty support to some of its customers. The Company accounts for the post-contract support / provision for warranty on the basis of the information available with the Management duly taking into account the current and past technical estimates.

2.21 Derivative contracts

The Company enters into derivative contracts in the nature of foreign currency options, forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign Currency Transactions and Translations.

All other derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

2.22 Insurance claims / Claims with ECGC

Insurance claims and claims with ECGC are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

2.23 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

2.24 Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.



3	SHARE CAPITAL			31 Ma	As at rch, 2014	31	₹ lakhs As at March, 2013
3	Authorised :						
	35,000,000 equity shares of ₹ 10/- each w Issued:	ith voting rights			3,500.00	:	3,500.00
	31,165,620 equity shares of ₹ 10/- each w Subscribed and fully paid up:	ith voting rights			3,116.56	:	3,116.56
	31,138,220 equity shares of ₹ 10/-each, w	ith voting rights			3,113.82		3,113.82
	Total	3 3			3,113.82	· :	3,113.82
Reco	onciliation of the number of shares and an Equity shares with voting rights Year ended 31 March, 2014	nount outstanding	g at the beginning a		end of th Balance		orting year: osing Balance
	- Number of shares			31	,138,220		31,138,220
	- Amount in ₹ lakhs				3,113.82		3,113.82
	Year ended 31 March, 2013 - Number of shares - Amount in ₹ lakhs			31	,138,220 3,113.82	:	31,138,220 3,113.82
Deta	ails of shares held by each shareholder hol	ding more than 5	% shares:				
	·	As at 31 N	/larch, 2014	Δ.	s at 31 M	arch,	2013
Clas	s of shares/Name of share holder	Number of shares held	% of holding in that class of shares	Numb shares			of holding in class of shares
Equ	ty shares with voting rights						
Tata	Sons Limited	13,147,632	42.22%	13	,147,632		42.22%
Life	Insurance Corporation of India	1,134,198	3.64%	2	,248,990		7.22%
one	Company has only one class of Equity Sha yote per share. In the event of liquidation of the remaining assets of the company, a	of the Company,	the holders of the e	quity shar	es will be	entit	led 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.

	As at	As at
	31 March, 2014	31 March, 2013
RESERVES AND SURPLUS		
Capital reserve:		
Subsidy received from Kerala State Government	25.00	25.00
General reserve:		
Opening balance 4	l,909.82	4,659.82
Add: Transferred from surplus in Statement of Profit and Loss	800.00	250.00
•	5,709.82	4,909.82
Foreign exchange translation reserve	86.01	44.51
Surplus in Statement of Profit and Loss		
Opening balance	11,424.17	11,364.86
Add: Net Profit for the year	7,226.19	2,130.82
Balance available for appropriation	18,650.36	13,495.68
Less:		,
 Dividend Proposed to be distributed to Equity Shareholders 	2.802.44	1,556.91
at ₹9/- per share (previous year ₹5/- per share)	_,00	.,555.5
- Dividend tax	476.27	264.60
Less: Tax paid on dividend received from subsidiary	64.79	204.00
Less. Tax paid off dividend received from substituting	<u> </u>	
- Transfer to general reserve	800.00	250.00
Closing balance	14,636.44	11,424.17
Total	20.457.27	16,403.50
iotai		<u> 16,403.30</u>

IVO	res i	forming part of the consolidated infancion	ai stateii	iciits		₹ lakhs
				As at 31 March, 2014		As at 31 March, 2013
5		NG-TERM PROVISIONS				
		vision for compensated absences		428.64		402.07
		vision for taxation (Net of advance tax)		82.65		103.70
	Tota	al .		511.29		505.77
6	SHC	ORT-TERM BORROWINGS				
	Woi	rking capital loans from banks - Secured, payable on deman	d	_		4,189.90
		n from banks (unsecured)		_		1,660.75
	Tota					5,850.65
7	TRA	DE PAYABLES				
-		de payables				
		ther than acceptances		6,578.91		5,318.87
	Tota	•		6,578.91		5,318.87
8		HER CURRENT LIABILITIES				
		rance from customers		973.82		76.04
		paid dividend (Will be transferred to Investor Education Protection Fund when due)		253.02		254.36
	Une	earned revenue		759.14		767.63
	Oth	er Payables		25.05		34.18
		tutory Remittances (Contributions to PF and ESIC, hholding Taxes, VAT, Service Tax, etc.)		886.33		1,449.73
		ables on purchase of fixed assets		298.00		159.49
	Gra	tuity (Refer Note 24.1.b)		168.93		243.13
	Tota	al		3,364.29		2,984.56
9	SHC	ORT-TERM PROVISIONS				
	a)	Provision for employee benefits				
		Provision for compensated absences		309.50		63.74
	b)	Provision others				
		Provision for warranty (Refer Note 24.9)		29.48		16.04
		Provision for taxation (Net of advance tax)		570.49		_
		Provision for proposed equity dividend		2,802.44		1,556.91
		Provision for tax on proposed equity dividend	476.27		264.60	
		Less: Tax paid on dividend received from subsidiary	64.79			
				411.48		264.60
	Tota	al		4,123.39		1,901.29



DESCRIPTION		GROS	S BLOCK			ACCUMUL	ATED DEPREC	IATION		NET B	BLOCK
a. Tangible fixed Assets	As at 1 April, 2013	Additions	Disposals / Adjustment/ Retirals	As at 31 March, 2014	As at 1 April, 2013	Depreciation/ Amortisation expense for the year		Eliminated on disposal/ Retiral of assets	As at 31 March, 2014	As at 31 March, 2014	
Land - Freehold	49.06	_	_	49.06	-	-	-	_	_	49.06	49.06
	(49.06)	(-)	(-)	(49.06)	(-)	(-)	(-)	(-)	(-)	(49.06)	
Land - Leasehold	85.01	-	_	85.01	24.84	3.40	-	-	28.24	56.77	60.17
	(85.01)	(-)	(-)	(85.01)	(19.46)	(5.38)	(-)	(-)	(24.84)	(60.17)	
Buildings	2,159.36	_	_	2,159.36	518.72	72.12	_	_	590.84	1,568.52	1,640.64
	(2,159.36)	(-)	(-)	(2,159.36)	(446.58)	(72.14)	(-)	(-)	(518.72)	(1,640.64)	
Improvements to leasehold premises	623.32	178.67	479.03	322.96	539.24	83.54	_	479.03	143.75	179.21	84.08
	(595.89)	(27.43)	(-)	(623.32)	(418.36)	(120.88)	(-)	(-)	(539.24)	(84.08)	
Plant and machinery	13.20	_	_	13.20	7.76	0.71	_	_	8.47	4.73	5.44
-	(13.20)	(-)	(-)	(13.20)	(7.05)	(0.71)	(-)	(-)	(7.76)	(5.44)	
Computer equipment	8,365.79	652.92	3,968.13	5,050.58	5,599.10	859.81	_	3,966.21	2,492.70	2,557.88	2,766.69
	(7,500.92)	(885.81)	(20.94)	(8,365.79)	(4,665.38)	(943.25)	(-)	(9.53)	(5,599.10)	(2,766.69)	
Furniture and fixtures	1,416.58	71.60	163.76	1,324.42	728.38	87.58	_	163.76	652.20	672.22	688.20
	(1,413.90)	(5.52)	(2.84)	(1,416.58)	(644.85)	(84.88)	(-)	(1.35)	(728.38)	(688.20)	
Office equipment	771.08	89.87	1.51	859.44	268.88	43.23	_	0.20	311.91	547.53	502.20
	(726.47)	(47.40)	(2.79)	(771.08)	(232.57)	(37.08)	(-)	(0.77)	(268.88)	(502.20)	
Electrical installations	1,389.90	7.34	_	1,397.24	518.76	66.00	_	_	584.76	812.48	871.14
	(1,402.47)	(2.34)	(14.91)	(1,389.90)	(457.09)	(66.08)	(-)	(4.41)	(518.76)	(871.14)	
Airconditioners	802.99	30.79	_	833.78	274.60	39.01	_	_	313.61	520.17	528.39
	(805.62)	(6.60)	(9.23)	(802.99)	(239.19)	(38.16)	(-)	(2.75)	(274.60)	(528.39)	
Vehicles	80.90	_	24.34	56.56	27.70	6.51	_	15.97	18.24	38.32	53.20
	(81.74)	(9.89)	(10.73)	(80.90)	(30.79)	(7.64)	(-)	(10.73)	(27.70)	(53.20)	
TOTAL	15,757.19	1,031.19	4,636.77	12,151.61	8,507.98	1,261.91	_	4,625.17	5,144.72	7,006.89	7,249.21
(Previous year)	(14,833.64)	(984.99)	(61.44)	(15,757.19)	(7,161.32)	(1,376.20)	(-)	(29.54)	(8,507.98)	(7,249.21)	
b. Intangible Assets											
i) Internally generated:											
Technical Know-how	1,050.89	1,655.44	763.92	1,942.41	594.70	998.13	582.84	763.92	1,411.75	530.66	456.19
	(763.92)	(286.97)	(-)	(1,050.89)	(254.64)	(340.06)	(-)	(-)	(594.70)	(456.19)	
ii) Acquired Intangibles:											
Computer Software	5,089.70	592.72	1,566.37	4,116.05	2,881.10	655.78	_	1,566.37	1,970.51	2,145.54	2,208.60
•	•	(1,059.03)	-	(5,089.70)	(2,224.83)	(656.27)	(-)	(-)	(2,881.10)	(2,208.60)	
TOTAL		2,248.16	2,330.29	6,058.46	3,475.80	1,653.91		2,330.29	3,382.26	2,676.20	2,664.79
(Previous year)		(1,346.00)	(-)	(6,140.59)	(2,479.47)	(996.33)	(-)	(-)	(3,475.80)	(2,664.79)	
GRAND TOTAL	21,897.78		6,967.06	18,210.07	11,983.78	2,915.82		6,955.46	8,526.98	9,683.09	9,914.00
(Previous year)	(19,628.23)		(61.44)	(21,897.78)	(9,640.79)	(2,372.53)	(-)	(29.54)	(11,983.78)	(9,914.00)	.,.

Note: Figures in brackets relate to the previous year.

11 NON-CURRENT INVESTMENTS Other Non-Current Investments:	31	As at March, 2014	31	₹ lakhs As at March, 2013
(i) Investment in BigV Telecom Private Limited, Mumbai - 22,250 shares at ₹10/- each. (Refer Note 25)		-		-
(ii) Investment in Sismatik Solutions Private Limited, Bangalore - 1,000 shares at ₹10/- each. (Refer Note 25)		_		_
Total				
12 LONG-TERM LOANS AND ADVANCES				
(Unsecured, considered good unless otherwise stated)				
Advance to A Squared Elxsi Entertainment LLC, USA	_		518.30	
(Considered doubtful)				
Less: Provision for doubtful advances		-	518.30	_
Capital Advances		199.71		72.78
Deposits		1,171.61		1,236.67
Tax deducted at source/Advance tax paid (Net of provision for tax)		2,487.26		2,337.06
Prepaid expenses		30.43		8.70
MAT credit entitlement				
Opening balance	1,788.75		2,180.75	
Availed / (Utilized) during the year	(1,619.00)	169.75	(392.00)	1,788.75
Total		4,058.76		5,443.96
13 INVENTORIES				
(At lower of cost or net realisable value)				
Components and spares - for trading				31.22
Total				31.22



No ₁	tes forming part of the consolidated financial stater	nents	
			₹ lakhs
		As at	As at
4.4	TDADE DECENVADUES (UNICECUDED)	31 March, 2014	31 March, 2013
14	TRADE RECEIVABLES (UNSECURED)		
	 a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment 		
	Considered good	185.43	870.82
	Considered good Considered doubtful	52.06	1,916.32
	Considered doubtrui	237.49	2,787.14
	Less: Provision for doubtful trade receivables	52.06	1,916.32
	Less. From son for doubtful trade receivables	185.43	870.82
	b) Other Trade Receivables	1051.15	0,0.02
	Considered good	15,375.68	13,226.69
	Considered doubtful	297.20	-
		15,672.88	13,226.69
	Less: Provision for doubtful trade receivables	297.20	_
		15,375.68	13,226.69
	Total	15,561.11	14,097.51
15	CASH AND BANK BALANCES		
	Cash and Cash Equivalents		
	Cash on hand	0.97	0.80
	Cheques on hand	81.00	176.21
	Funds-in-transit	547.17	323.17
	Balances with banks		
	i) in current accounts	3,036.83	1,071.93
	ii) in EEFC accounts	726.96	503.46
	iii) in deposit accounts	500.78	
	Total Cash and Cash Equivalents (A)	4,893.71	2,075.57
	Other bank balances		
	i) in earmarked accounts		
	- Unpaid Dividends Account	253.02	254.36
	Total - Other bank balances (B)	253.02	254.36
	Total Cash and Bank Balances (A+B)	5,146.73	2,329.93
16	SHORT-TERM LOANS AND ADVANCES		
	(Unsecured and considered good)	470.43	260.22
	a) Loans and advances to employees	179.12	260.32
	b) Prepaid Expensesc) Balances with Govt Authorities:	625.64	404.16
	c) Balances with Govt Authorities: i) VAT credit receivable	40.89	9.41
	ii) Service tax credit receivable	80.97	103.70
	d) Advance to suppliers / vendors	199.19	191.98
	e) Deposits	76.12	38.85
	Total	1,201.93	1,008.42
	iotai	1,201.33	1,000.42
17	OTHER CURRENT ASSETS		
.,	Unbilled revenue	1,919.19	1,574.10
	Total	1,919.19	1,574.10

IOVI	es forming part of the consolidated financial statem	ients	3 1 - 1 - 1 - 1
18	REVENUE FROM OPERATIONS	Year ended 31 March, 2014	₹ lakhs Year ended 31 March, 2013
	Sale of traded goods (Refer Note (i) below) Rendering of services (Refer Note (ii) below) Total	4,969.32 72,509.25 77,478.57	3,593.44 58,573.68 62,167.12
	(i) Sale of traded goods include sales of computers, networking and storage systems.		
	 (ii) Rendering of services comprises: (a) Product Design (b) Graphics Animation and Gaming (c) System Integration and Support 	66,427.07 1,843.15 4,239.03	53,415.57 1,879.45
19	OTHER INCOME	72,509.25	<u>58,573.68</u>
	Interest from banks on deposits	21.30	3.71
	Interest - Others	5.89	155.08
	Net gain or (loss) on foreign currency transactions and translation	978.95	120.67
	Other non-operating income: a) Hire charges	4.56	5.48
	b) Liabilities/provision no longer required written back	151.81	173.66
	c) Miscellaneous Income	91.82	25.36
	Total	1,254.33	483.96
20	PURCHASES		
	Purchase of traded goods - computers, networking and storage systems and components and parts	4,248.81	3,000.22
	Spares, consumables and others	3,244.90	2,974.23
	Total	7,493.71	5,974.45
20A	ADD/(LESS): (INCREASE) / DECREASE IN INVENTORIES Inventories at the end of the year:		
	Stock-in-trade	-	31.22
	Inventories at the beginning of the year:		
	Stock-in-trade	31.22	2.13
	Net (increase) / decrease	31.22	(29.09)
21	EMPLOYEE BENEFITS EXPENSES	37.400.05	22.222.5
	Salaries & wages	37,480.83	32,999.93
	Contribution to provident and other funds	1,006.43	1,065.20
	Staff welfare expenses Total	1,808.70	1,084.14
	lotai	40,295.96	35,149.27



				₹ lakhs
		Year ended	•	Year ended
		31 March, 2014	31 N	larch, 2013
22	OTHER EXPENSES			
	Operating lease rentals (Refer Note 24.5)	1,407.80		1,316.69
	Rates and taxes	78.45		121.68
	Power and fuel	769.43		790.04
	Repairs and maintenance : Building	241.55		200.36
	: Plant and machinery	248.22		302.26
	: Others	280.46		263.21
	Communication expenses	742.96		770.98
	Inland travel and conveyance	1,192.72		1,028.60
	Overseas travel	3,388.87		2,360.04
	Advertisement and sales promotion expenses	440.92		432.73
	Commission on sales	185.02		114.38
	Hire charges	17.10		81.79
	Printing and stationery	67.86		58.03
	Motor vehicle expenses	297.22		263.85
	Recruitment	79.76		76.02
	Training	65.19		58.79
	Consultant fees for software development	4,351.84		4,557.26
	Legal and professional charges	675.17		572.52
	Secretarial charges	13.10		12.34
	Insurance	98.22		79.64
	Loss on sale of assets (net)	5.67		4.47
	Bank and other charges	80.49		74.50
	Commission to non-executive directors	97.00		25.00
	Auditors' remuneration (Refer Note (i) below)	34.24		38.46
	Bad debts/advances written off (net of credit balances)	3,013.25	108.38	
	Less: Amount transferred from provision for doubtful debts/advances	2,434.62 578.63		108.38
	Provision for doubtful debts/ advances	349.26		128.39
	Provision/(Reversal) for warranty (net) (Refer Note 24.9)	13.44		(0.48)
	General expenses	211.48		26.88
	Total	16,012.07		13,866.81
	Note (i): Payments to the auditors comprises			
	(Net of service tax input credit, where applicable):			
	As auditors - statutory audit	29.25		29.25
	Company law matters	0.75		0.75
	Other Services	2.30		3.15
	Reimbursement of expenses	1.94		5.31
	Total	34.24		38.46

-3 10	,,,,,,,,	ing part of the consolidated infancial statements		
				₹lakhs
			As at	As at
			31 March, 2014	31 March, 2013
Con	tinge	nt liabilities and commitments (to the extent not provided for)		
(i)	Con	tingent liabilities		
	(a)	Claims against the Company not acknowledged as debt		
		1. Disputed demands for Income Tax aggregates.	502.40	502.40
		2. Disputed demands for Wealth Tax aggregates.	25.89	25.89
		3. Disputed amount of Sales Tax aggregates.	_	656.72
		4. Service tax matters	842.26	842.26
		5. Other claims not acknowledged as debts	_	484.85
	(b)	Guarantees- Guarantees given to a Housing Finance Company for housing loans availed by employees during their employment with the company	51.85	73.96
Сар	ital Co	ommitments :		
		Tangible fixed assets	780.00	465.29
		Intangible assets	314.99	250.39
	Con (i)	Continge (i) Con (a) (b) Capital C Estimated	Contingent liabilities and commitments (to the extent not provided for) (i) Contingent liabilities (a) Claims against the Company not acknowledged as debt 1. Disputed demands for Income Tax aggregates. 2. Disputed demands for Wealth Tax aggregates. 3. Disputed amount of Sales Tax aggregates. 4. Service tax matters 5. Other claims not acknowledged as debts (b) Guarantees- Guarantees given to a Housing Finance Company for housing loans availed by employees during their employment with the company Capital Commitments: Estimated amount of contracts remaining to be executed on capital account and not provided for Tangible fixed assets	As at 31 March, 2014 Contingent liabilities and commitments (to the extent not provided for) (i) Contingent liabilities (a) Claims against the Company not acknowledged as debt 1. Disputed demands for Income Tax aggregates. 2. Disputed demands for Wealth Tax aggregates. 3. Disputed amount of Sales Tax aggregates. 4. Service tax matters 5. Other claims not acknowledged as debts (b) Guarantees- Guarantees given to a Housing Finance Company for housing loans availed by employees during their employment with the company Capital Commitments: Estimated amount of contracts remaining to be executed on capital account and not provided for Tangible fixed assets 780.00

23.2 Details on derivatives instruments and unhedged foreign currency exposures

- I. The following derivative positions are open as at 31 March, 2014. These transactions have been undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets and may/may not qualify or be designated as hedging instruments. The accounting for these transactions is stated in Notes 2.10 and 2.21
- (a) Forward exchange contracts and options [being derivative instruments], which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables.
- (i) Outstanding forward exchange contracts entered into by the Company as on 31 March, 2014 Nil, Previous year (Nil)

(ii) Outstanding option contracts entered into by the Company as on 31 March, 2014

Remarks	Buy / Sell	Amount	Currency
₹ 630.00 lakhs	Sell	10.00 lakhs	USD
(₹551.00 lakhs)	Sell	(10.00 lakhs)	
₹ 212.20 lakhs	Sell	2.50 lakhs	EURO
(Nil)	Sell	(Nil)	
₹ 765.00 lakhs	Sell	7.50 lakhs	GBP
(₹ 440.25 lakhs)	Sell	(5.00 lakhs)	

Note: Figures in brackets relate to the previous year



(iii) The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

	As at 31 Marc	h, 2014	As at 31 March, 2013				
Receivable		Receivable	ble Receivable		Receivable		
in Foreign currency			in Forei	gn currency			
	lakhs	₹lakhs		lakhs	₹lakhs		
Euro	27.34	2,260.97	Euro	33.25	2,312.66		
GBP	59.07	5,893.29	GBP	43.26	3,563.09		
USD	62.32	3,880.76	USD	100.37	5,463.24		
JPY	792.48	460.11	JPY	1441.19	833.27		
ZAR	76.37	431.49	ZAR	34.86	206.16		
KRW	20.50	1.15	KRW	20.48	1.00		
AED	_	_	AED	0.50	7.40		
CAD	0.63	34.07	CAD	Nil	_		

(iv) Amount payable in foreign currency on account of purchase of goods, services and borrowings

As at 31 March, 2014			As at 31 March, 2013				
in Foreign currency		Payable	in Foreig	n currency	Payable		
la	khs	₹ lakhs	la	khs	₹lakhs		
Euro	3.60	297.33	Euro	2.35	163.39		
GBP	1.81	181.06	GBP	2.50	206.03		
USD	12.73	762.62	USD	83.77	4,559.75		
JPY	29.04	16.86	JPY	44.99	26.01		
SGD	_	_	SGD	0.01	0.32		
MYR	0.22	4.07	MYR	0.21	3.64		
ZAR	0.12	0.68	ZAR	0.15	0.91		
CHF	_	_	CHF	0.16	9.25		

24.1 Employee benefit plans

24.1.a Defined contribution plans

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans 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 ₹ 608.74 lakhs (Year ended 31 March, 2013 ₹ 628.74 lakhs) for Provident Fund contributions and ₹ 242.41 lakhs (Year ended 31 March, 2013 ₹ 232.69 lakhs) for Superannuation Fund contributions, Employee state Insurance Scheme ₹3.46 lakhs (Year ended 31 March, 2012 ₹ 3.57 lakhs) in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

24.1.b Defined benefit plans

The Company offers gratuity (included as part of Contribution to Provdent and other funds in Note 21 Employee benefits expense) to its employees under defined benefit plans

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

		₹ lakhs
Particulars	Year ended	Year ended
	31 March, 2014	31 March, 2013
Components of employer expense		
Current service cost	140.03	102.11
Interest cost	66.17	56.52
Expected return on plan assets	(50.81)	(38.31)
Curtailment cost/(credit)	_	_
Settlement cost/(credit)	_	-
Past service cost	_	_
Actuarial losses/(gains)	(0.11)	83.41
Total expense recognised in the Statement of Profit and Loss	155.28	203.73
Actual contribution and benefit payments for year		
Actual benefit payments	47.24	83.32
Actual contributions	229.48	180.00
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	(953.90)	(827.18)
Fair value of plan assets	784.97	584.05
Funded status [Surplus/(Deficit)]	(168.93)	(243.13)
Unrecognised past service costs	_	_
Net asset / (liability) recognised in the Balance Sheet	(168.93)	(243.13)
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	827.18	664.89
Current service cost	140.03	102.11
Interest cost	66.17	56.52
Curtailment cost/(credit)	_	_
Settlement cost/(credit)	_	_
Plan amendments	_	_
Acquisitions	_	_
Actuarial (gains)/losses	(32.24)	86.98
Past service cost		
Benefits paid	(47.24)	(83.32)
Present value of DBO at the end of the year	953.90	827.18
Change in fair value of assets during the year		
Plan assets at beginning of the year	584.05	445.49
Acquisition adjustment	_	_
Expected return on plan assets	50.81	38.31
Actual company contributions	229.48	180.00
Actuarial gain/(loss)	(32.13)	3.57
Benefits paid	(47.24)	(83.32)
Plan assets at the end of the year	784.97	584.05
Actual return on plan assets	18.68	41.88



Particulars	Year ended	Year ended	
	31 March, 2014	31 March, 2013	
	₹ lakhs	₹ lakhs	
Composition of the plan assets is as follows:			LIC- Mortality (1994-96)Table
Government bonds	42.31%	42.07%	21-30 years 10%
Debentures and Bonds	37.50%	42.85%	31-40 years 5%
Equity	4.69%	5.22%	41-50 years 3%
Others	15.50%	9.86%	51 & above 2%
Actuarial assumptions			
Discount rate	9.03%	8.00%	
Expected return on plan assets	8.70%	8.70%	
Salary escalation	5.00%	5.00%	
Attrition : If past service <5 years	10.00%	10.00%	
: If past service >5 years	8.00%	8.00%	
Estimates of amount of contribution in the immediate next year	305.79	383.16	

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.

24.2 Experience adjustments

₹lakhs

	2013-14	2012-13	2011-12	2010- 11	2009- 2010
Gratuity					
Present value of DBO	(953.90)	(827.18)	(664.89)	(552.64)	(533.67)
Fair value of plan assets	784.97	584.05	445.49	278.64	204.68
Funded status [Surplus / (Deficit)]	(168.93)	(243.13)	(219.40)	(274.00)	(328.99)
Experience (gain) / loss adjustments on plan liabilities	33.94	59.76	42.82	(57.07)	(5.23)
Experience gain / (loss) adjustments on plan assets	(32.13)	3.57	32.54	(25.73)	0.96

	For the year ended	For the year ended
	31 March, 2014	31 March, 2013
Actuarial assumptions for long-term compensated absences		
Discount rate	9.03%	8.00%
Expected return on plan assets	8.70%	8.70%
Salary escalation	5.00%	5.00%
Attrition : If past service <5 years	10.00%	10.00%
: If past service >5 years	8.00%	8.00%

24.3 Segment information

The Company has identified business segments as its primary segment and geographic segments as its secondary segment. Business segments are primarily System integration & support and Software Development & Services. 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 that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably amongst segments are not allocated to primary and secondary segments. Geographical revenues are allocated based on the location of the customer. Geographic segments of the Company are India, Europe, US, Japan and Others.

			₹lakhs	
Particulars	For the year ended 31 March, 2014			
	Business s	Total		
	System Integration &	Software Development		
	Support	& Services		
Revenue	9,208.35	68,270.22	77,478.57	
	(6,872.10)	(55,295.02)	(62,167.12)	
Segment result	842.56	13,790.44	14,633.00	
	(169.77)	(6,238.99)	(6,408.76)	
Unallocable expenses (net)			3,231.72	
		_	(1,091.65)	
Operating income			11,401.28	
			(5,317.11)	
Interest			182.68	
		_	(390.76)	
Profit before taxes			11,218.60	
			(4,926.35)	
Exceptional items			-	
			(1,589.57)	
Tax expense			3,992.41	
			(1,099.41)	
Profit after taxes			7,226.19	
			(2,237.37)	
Share of loss from an Associate Company			-	
			(106.55)	
Net profit for the year			7,226.19	
			(2,130.82)	

Segment assets include all assets relating to the segment and consists principally of Fixed assets, Receivables, Other current assets and non-current assets.



Segment liabilities include all liabilities relating to the segment and consist principally of Trade payables and other operating liabilities.

	· · · · · · · · · · · · · · · · · · ·		₹lakhs
Particulars		ear ended 31 Marc	
	Business	•	Total
	System	Software	
	Integration &	Development	
	Support	& Services	22.007.25
Segment assets	3,133.66	19,963.69	23,097.35
	(2,662.23)	(16,017.06)	(18,679.29)
Unallocable assets			13,078.62
		_	(13,536.35)
Total assets			36,175.97
		_	(32,215.64)
Segment liabilities	2,324.65	4,212.75	6,537.40
	(2,085.85)	(3,311.20)	(5,397.05)
Unallocable liabilities			7,516.94
			(5,025.06)
Total liabilities			14,054.34
		_	(10,422.11)
Other information			
Capital expenditure (unallocable)			3,279.35
			(2,330.99)
Depreciation and amortisation.	66.44	3432.22	3,498.66
•	(89.34)	(2,283.19)	(2,372.53)
Provision for doubtful debts	, ,	, ,	349.26
			(128.39)
Bad debts written off			578.63
			(108.38)
Share of loss from an Associate Company			(
2 2			(106.55)
			(100.55)

The geographic segments individually contributing 10 percent or more of the Company's revenues and segment assets are shown separately:

Geographic Segment	Revenues	Segment assets	Capital expenditure
	For the year ended	as at	incurred during the year
	31 March, 2014	31 March, 2014	ended 31 March, 2014
India	16,002.71	22,201.44	3,267.49
	(13,126.79)	(20,777.62)	(2,271.90)
US	22,956.64	3,609.11	8.72
	(18,530.90)	(4,515.99)	(17.12)
Europe	33,640.88	9,031.87	2.50
	(23,790.93)	(5,923.71)	(40.71)
Japan	2,347.12	490.86	0.64
	(5,055.93)	(625.59)	(1.26)
Others	2,531.22	842.69	_
	(1,662.57)	(372.73)	_
Total	77,478.57	36,175.97	3,279.35
	(62,167.12)	(32,215.64)	(2,330.99)

Note: Figures in brackets relate to the previous year

Segment revenue in India comprises revenue from System Integration and software development & services. Segment revenue outside India predominantly comprises revenue from software development & services. Segment assets include all assets relating to the segment and consist principally of Fixed assets, Receivables, Inventory, Other Current and Non-Current Assets. Assets located outside India primarily relate to Trade Receivables.

24.4 Related party transactions

24.4.a Details of related parties:

Description of relationship	Names of related parties
Company with Significant Influence	Tata Sons Ltd
Key Management Personnel (KMP)	Mr. Madhukar Dev- Managing Director

Note: Related parties have been identified by the Management.

24.4.b Details of related party transactions during the year ended 31 March, 2014 and balances outstanding as at 31 March, 2014:

Pariculars	Company with Significant	KMP	Total
	Influence- ₹lakhs	₹lakhs	₹lakhs
Receiving of services- Brand fee and other Services	206.95		206.95
	(185.46)		(185.46)
Dividend paid	657.38		657.38
	(920.33)		(920.33)
Managerial remuneration and commission		224.94	224.94
		(140.58)	(140.58)
Balances outstanding at the end of the year			
Trade payable	196.71	100.00	296.71
	(175.07)	(40.00)	(215.07)

Note: Figures in brackets relate to the previous year

		₹lakhs
Particulars	For the year ended	For the year ended
	31 March. 2014	31 March, 2013

24.5 Details of leasing arrangements

The Company has entered into operating lease arrangements for certain facilities and office premises. Some of these leases are non-cancellable and are for a period of one to three years and may be renewed based on mutual agreement of the parties. These lease agreements provide for an increase in the lease payments upto 15 % as per lease agreements.

Future minimum lease payments

not later than one year	267.49	415.64
later than one year and not later than five years	329.72	488.96
Lease payments recognised in the Statement of Profit and Loss	1,407.80	1,316.69



			₹lakhs
	Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
4.6	Earnings per share		
	Basic		
	Net profit / (loss) for the year attributable to the equity shareholders (₹lakhs)	7,226.19	2,130.82
	Weighted average number of equity shares	31,138,220	31,138,220
	Par value per share (₹)	10.00	10.00
	Earnings per share - Basic and diluted (₹)	23.21	6.84
	Particulars	As at 31 March, 2014	As at 31 March, 2013
.7	Deferred tax (liability) / asset		
	Tax effect of items constituting deferred tax liability		
	On difference between book balance and tax balance of fixed assets	(1,277.37)	(1,920.62)
	Tax effect of items constituting deferred tax liability	(1,277.37)	(1,920.62)
	Tax effect of items constituting deferred tax assets		
	Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961, etc.		
		593.37	1,473.62
	Tax effect of items constituting deferred tax assets	593.37	1,473.62
	Net deferred tax (liability) / asset	(684.00)	(447.00)
	Particulars	For the year ended	For the year ended
		31 March, 2014	31 March, 2013
8	Details of research and development expenditure recognised as		
	employee benefit expenses and other expenses in note 20 and 21		
	respectively are net of the following expenses that have been capitalised as part of intangible assets/intangible assets under development.		
	a) Employee benefit expenses	217.20	780.60
	b) Other expenses	72.40	260.20
	Total	289.60	1,040.80

24.9 Details of provisions

The Company has made provision for various contractual obligations and disputed liabilities based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below:

					₹lakhs
Particulars	As at 1 April, 2013	Additions	Utilisation	Reversal (withdrawn	As at 31 March, 2014
	_			as no longer required)	
Provision for warranty	16.04	84.32	_	70.88	29.48
	(16.52)	(63.60)	(Nil)	(64.08)	(16.04)

Note: - Figures in brackets relate to the previous year.

Of the above, the following amounts are expected to be incurred within a year:

	•	•	₹lakhs
Particulars		As at 31 March, 2014	As at 31 March, 2013
Provision for warranty		29.48	16.04

25 Advance to A Squared Elxsi Entertainment LLC, USA

Exceptional item in the previous year relates to the settlement of the demand received from the Banker to whom the Company had given a financial guarantee on behalf of A Squared Elxsi Entertainment LLC, USA ("A2E2"), an entity that was proposed to be a joint venture company of the Company.

Share of loss in associates in the previous year relates to share of loss in A2E2, restricted to the aggregate of share capital / share application money contributed by the Company to A2E2

26 Summary of Information relating to subsidiary for the year ended 31 March, 2014, is as follows Subsidiary: Tata Elxsi (Singapore) Pte Ltd

		2013-14	2012-13
Exchange rate as at March 31, - ₹		59.92	54.43
		₹ lakhs	₹ lakhs
Issued and Subscrib	ped share capital	28.67	28.67
Reserves		89.55	332.60
Loans		_	-
Total assets		169.74	921.77
Total liabilities		169.74	921.77
Investments	Long-term	_	_
	Current	_	_
	Total	_	_
Turnover		268.82	1720.54
Profit/(Loss) before	taxation	101.30	192.65
Provision for taxati	ion	4.60	22.15
Profit/(Loss) after t	axation	96.70	170.50
Dividend paid		381.24	138.63

27 The Company has 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.

Name of the Company	No Shares allotted / Transferred	Face Value of shares (₹)
Big V Telecom Pvt. Ltd	22250	10
Sismatik Solutions Private Limited	1000	10

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/-. Any gain on such investment will be recognized on its disposal.

28 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

S. Ramadorai Chairman
Shyamala Gopinath Director
Madhukar Dev Managing Director
Sudha Madhavan Chief Financial Officer
G.Vaidyanathan Company Secretary

Mumbai, April 22, 2014



Statement pursuant to Section 212 of the Companies Act, 1956

															₹ lakhs
Subsidiary/ Country	Year		Issued and Subscribed	Reserves	Loans	Total assets	Total liabilities		Investmen	ts	Turnover	Profit/(Loss) before	Provision for	Profit/ (Loss) after	Dividend
		march 31 ₹/USD	share capital					Long- term	Current	Total		taxation	taxation	taxation	
Tata Elxsi (Singapore)	2013-14	59.92	28.67	89.55	-	169.74	169.74	-	-	-	268.82	101.30	4.60	96.70	381.24
Pte. Ltd., Singapore	2012-13	54.43	28.67	332.60	-	921.77	921.77	-	-	-	1,720.54	192.65	22.15	170.50	138.63

Significant 3 year highlights (Consolidated)

3 Years Profit and Loss Account

₹ lakhs

	31.03.2014	31.03.2013	31.03.2012
INCOME			
Sales and services	77,478.57	62,167.12	53,870.74
Other Income	1,254.33	483.96	420.50
Total	78,732.90	62,651.08	54,291.24
EXPENDITURE			
Cost of sales	7,524.93	5,945.36	7,172.32
Personnel expenses	40,295.96	35,149.27	27,807.29
Administrative and selling expenses	16,012.07	13,866.81	11,491.00
Financial expenses	182.68	390.76	232.63
Depreciation	3,498.66	2,372.53	2,051.92
Total	67,514.30	57,724.73	48,755.16
Profit before Tax for the year & Exceptional items	11,218.60	4,926.35	5,536.08
Exceptional item	_	1,589.57	_
Profit before Tax for the year	11,218.60	3,336.78	_
Provision for Tax	(3,992.41)	(1,099.41)	(1,665.58)
Profit after Tax	7,226.19	2,237.37	3,870.50
Share of loss from an Associate Company	_	106.55	411.75
Net Profit for the year	7,226.19	2,130.82	3,458.75

Significant Ratio Analysis						
S. No.	Particulars	Unit	31.03.2014	31.03.2013	31.03.2012	
1	Earning before interest, depreciation and tax/Sales	%	19.23	12.37	14.52	
2	Profit before taxes/Sales	%	14.48	5.37	10.28	
3	Profit after taxes/Sales	%	9.33	3.43	6.42	
4	Current Ratio	No. of Times	1.69	1.19	1.32	
5	Debt Equity Ratio	%	-	29.98	17.79	
6	Earning per share	₹	23.21	6.84	11.11	
7	Dividend per share	₹	9.00	5.00	7.00	
8	Book Value share	₹	75.70	62.68	61.65	
9	Return on Net Worth	%	30.66	10.92	18.02	
10	Return on Capital Employed	%	30.66	8.40	15.30	

TATA ELXSI

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TATA ELXSI

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Corporate Identification No. L85110KA1989PLC009968 Registered Office: ITPB Road, Whitefield, Bangalore - 560 048. Ph. No. 080 22979123 Fax No. 080 28411474 Email Address: investors@tataelxsi.com Website: www.tataelxsi.com

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration), Rules, 2014]

Name of the m	ember(s):		E-mail Id:				
Registered add	lress.		Folio No/Client Id*:				
negistered add	11033.						
			DP Id*:				
*Applicable to s	hareholders holding shares in	electronic form					
	ed, hereby appoint:	of			bei	ng a M	Nember(s)
1)	of	having e-mail i.d	or failing him				
2)	of	having e-mail i.d	or failing him				
poll) for me /us	and on my/our behalf at the 25	having e-mail i.d 5th Annual General Meeting of the Co riday the 18th July, 2014 at 12.30 PM a	mpany, to be held at Devraj Urs Bha	ıvan (behind Dr. Ambe	dkar Bhava	n) 16D, Mi	illers Tank B
Resolution No	. Resolution				FOR	AGAIN	NST
1.	Adoption of financial statem	ents for the year ended 31st March, 20	014 together with Directors' Report	and Auditors' report			
2.	Declaration of dividend for the	he financial year 2013-14					
3.	Appointment of Auditors and	d fixing their remuneration.					
4.	Appointment of Mrs. Shyama	ala Gopinath as an independent direc	tors of the Company.				
5.	Appointment of Dr. R. Natara	ijan as an independent director of the	Company.				
6	Appointment of Mr. P. G. Ma	nkad as an independent director of th	e Company.				
7.	Appointment of Mr. P. McGo	ldrick as an independent director of tl	ne Company.				
8.	Re-appointment of Mr. Madh	nukar Dev as Managing Director and C	EO of the Company				
C:	daaf 2014						
signed this	day of 2014.						
Signature of Sha	areholder:						ease affix
						levenue Stamp	
not less tha	an Forty-Eight (48) hours before	e, should be duly completed and dep e the commencement of the meeting t and Notes, please refer to the Notice			ad, Whitefi	L eld Banga	llore - 560 0

TATA ELXSI LIMITED

Corporate Identification No. L85110KA1989PLC009968 Registered Office: ITPB Road, Whitefield, Bangalore - 560 048. Ph. No. 080 22979123 Fax No. 080 28411474 Email Address: investors@tataelxsi.com Website: www.tataelxsi.com

ATTENDANCE SLIP

DP.Id*:						
Client Id*:						
*Applicable to shareholders holding shares in electronic form						

Folio No.	
No. of Shares	

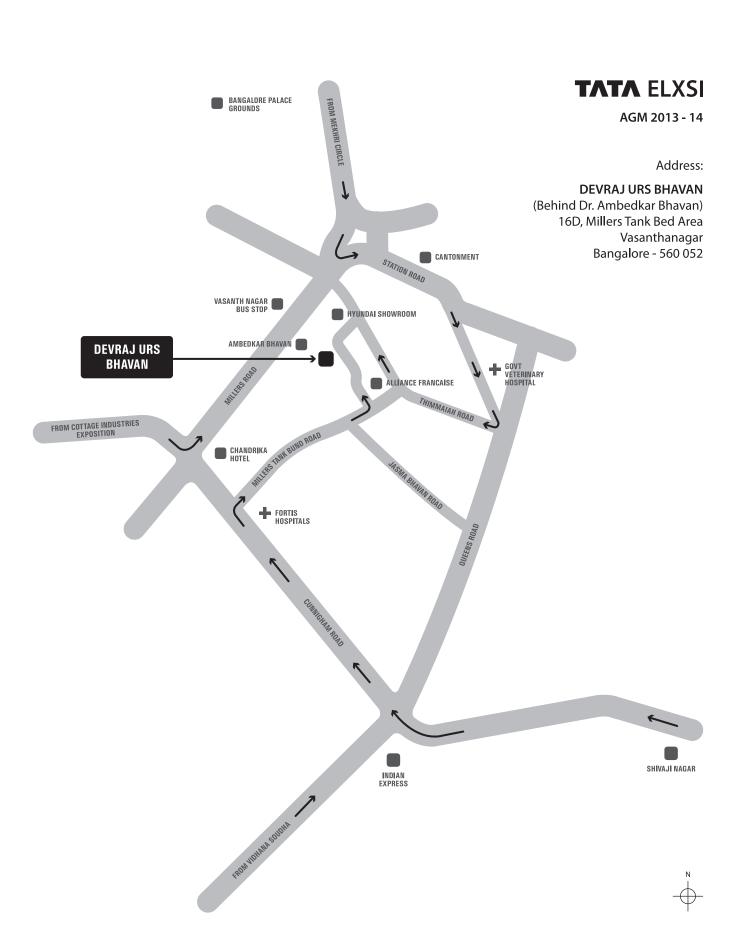
Name and Address of the Shareholder:

I hereby record my presence at the 25th Annual General Meeting of the Company held at Devraj Urs Bhavan (behind Dr. Ambedkar Bhavan) 16D, Millers Tank Bed Area, Vasanthanagar, Bangalore 560 052, on Friday, the 18th July, 2014 at 12.30 p.m.





Notes	



Industries Addressed















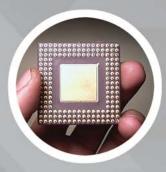




















TATA ELXSI

Registered & Corporate Office

Tata Elxsi Limited

ITPB Road Whitefield Bangalore 560 048 India (CIN-L85110KA1989PLC009968)

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

e-mail investors@tataelxsi.com

www.tataelxsi.com

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1	Name of the Company	Tata Elxsi Limited
2	Annual Consolidated financial statements for the year ended	March 31, 2014
3	Type of Audit observation	Un-qualified / Matters of Emphasis
4	Frequency of observation	Not Applicable
5	To be signed by :	
	CEO / Managing Director and CEO	When.
	Audit Committee Chairperson	Shopinath
	CFO	Broth Modhoven.
	Auditor of the Company	Refer to our Audit Report dated April 22, 2014 on the consolidated standalone financial statements of the Company
		For Deloitte Haskins & Sells Chartered Accountants (Reg. No. 008072S)
		V. Balaji
		Partner (M. No. : 203685)

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1	Name of the Company	Tata Elxsi Limited
2	Annual Consolidated financial statements for the year ended	March 31, 2014
3	Type of Audit observation	Un-qualified / Matters of Emphasis
4	Frequency of observation	Not Applicable
5	To be signed by:	
	CEO / Managing Director and CEO	When.
	Audit Committee Chairperson	Shopinath
	CFO	Broth Medhanan
	Auditor of the Company	Refer to our Audit Report dated April 22, 2014 on the consolidated standalone financial statements of the Company
	N.V.	For Deloitte Haskins & Sells Chartered Accountants (Reg. No. 008072S)
		V. Balaji Partner
		(M. No. : 203685)