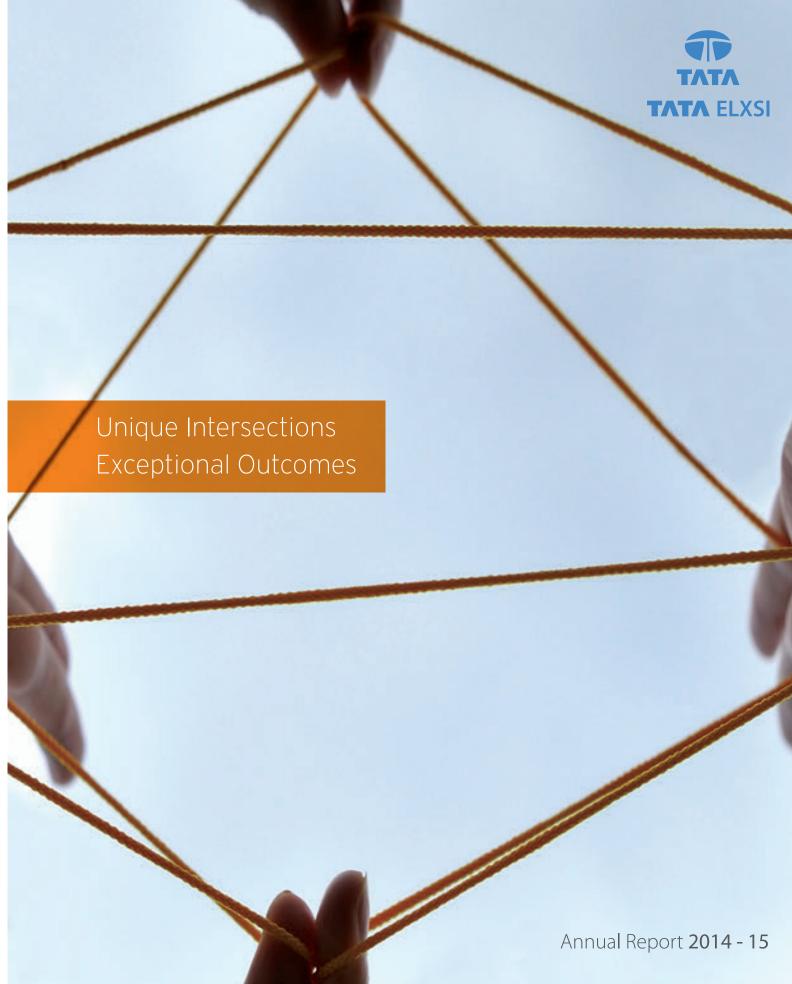
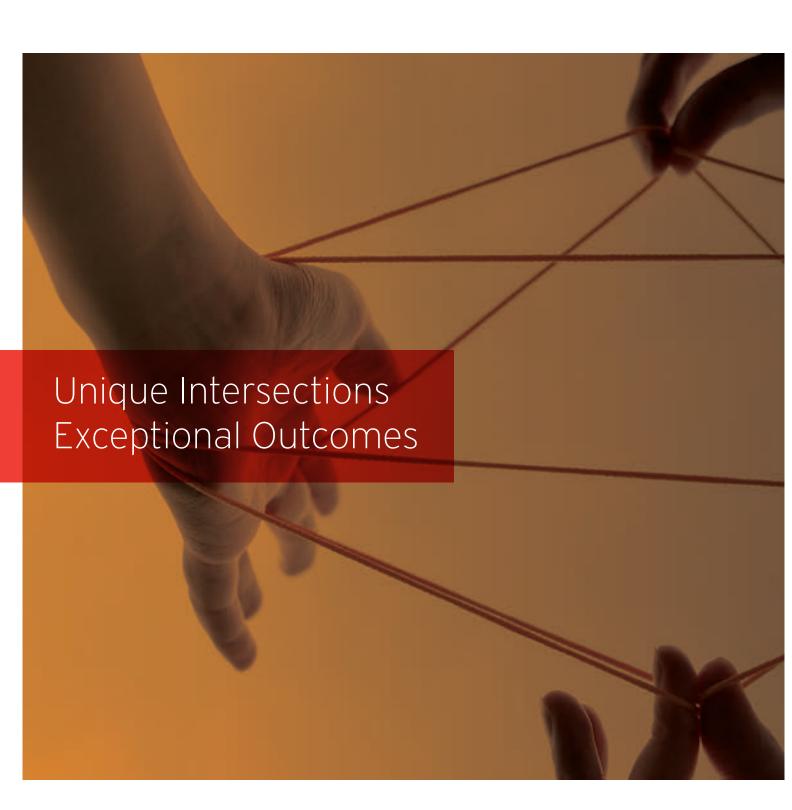
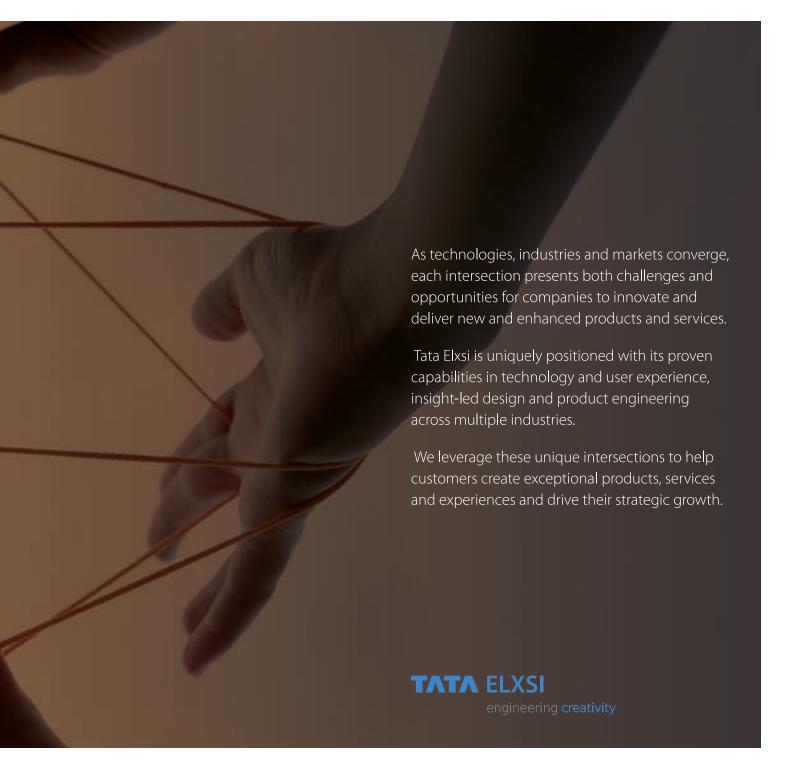
### **FORM A**

### 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 financial statements	24 + 14 - 1 - 2045
	for the year ended	31st March, 2015
3	Type of Audit observation	Unqualified
4	Frequency of observation	Not Applicable as the Report is Unqualified
5	To be signed by :	
1	Mr. Madhukar Dev Managing Director	W.
	Mrs. Shyamala Gopinath Audit Committee Chairman	Scepinath
	Mr. K. Ramaseshan Chief Financial Officer	
	Auditors of the Company	Refer Audit Report dated 28th April, 2015 on the Financial Statements of the Company.  For Deloitte Haskins & Sons Chartered Accountants (Firm Registration No. 008072S)  S. Ganesh Partner Membership No. 204108
	×	Bangalore, 28th April, 2015







### FINANCIAL HIGHLIGHTS

Total Income

852.75 crores

Profit After Tax

102.03 crores

Earnings Per Share

32.76

Book Value Per Share

91.02

Dividend Per Share

11.00



# MESSAGE FROM THE CHAIRMAN

#### Dear Shareholder,

Your Company has performed well in its strategic growth areas in FY14-15, reporting a 10% growth in total income and 38% growth in PBT as compared to FY13-14.

Mr. S Ramadorai was the Chairman of the Board until October 6, 2014 and his guidance and impetus for the Company has been invaluable to establish an excellent foundation for profitable growth.

The global macro-economic outlook continues to be dynamic with currency volatility and challenging market conditions in certain industry sectors. Our concerted effort in focussing on select industries and growing our revenues from the embedded product design and industrial design services, resulted in improved top line and bottom line performance.

Globally, we are witnessing an extraordinary convergence of industries, technologies and markets. Each intersection presents both challenges and opportunities for companies to innovate and deliver new and enhanced products and services.

With its strong capabilities in user experience design, R&D and product development in multiple industries, your Company is uniquely placed to help its customers create new products and experiences and drive their strategic growth. We will continue to invest in new technology areas, acquisition and retention of key talent, as well as continuous skill development and market oriented research, to help deliver relevant services and increasing value to our customers.

I am pleased to be associated with your Company as the Chairman and see a bright future for the company in expanding its operations and scale.

I am pleased to inform you that our Board of Directors has recommended a dividend of Rs. 11 per share, the highest annual dividend to shareholders in the history of your Company.

#### N G Subramaniam

# EMBEDDED PRODUCT DESIGN



Feature rich applications and UI for Broadcast and TV

We provide 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.



Next-generation Automotive electronics and software development

# INDUSTRIAL DESIGN

We help our customers develop successful brands and products by using design as a strategic tool for business success.

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, winning various international awards and patents for design and innovation.

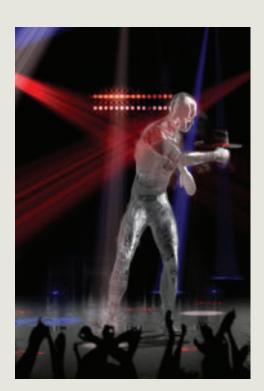


Signage system for Mumbai Monorail



Packaging design and branding for HE Deodorant

# VISUAL COMPUTING LABS



Stunning visual effects for promotional events and marketing

We provide animation and visual effects (VFX) services for feature films and episodic television.

We also support advertising and marketing by providing these services for TV commercials and corporate videos for visualization and new product launches.



Creating magical moments for feature films

# SYSTEMS INTEGRATION

We implement and integrate complete systems and solutions for broadcast, CAD/CAM/CAE/PLM, disaster recovery, high-performance computing, storage and virtual reality.

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



CAD/ CAM/ CAE solutions for various industries



Integration of Virtual Reality systems for R&D and manufacturing

### **BOARD OF DIRECTORS**

as on 28th April, 2015

Mr. N Ganapathy Subramaniam

Chairman

Mrs. S Gopinath

Dr. Gopichand Katragadda Mr. P G Mankad

Mr. P McGoldrick

Dr. R Natarajan

**Mr. Madhukar Dev** Managing Director

### STATUTORY COMMITTEES

(Pursuant to the Listing Agreement with the Stock Exchanges)

#### **Audit Committee**

**Mrs. S Gopinath** Chairperson

Dr. R Natarajan

Mr. P McGoldrick

#### Stakeholders' Relationship Committee

**Mr. P G Mankad** Chairman

Dr. R Natarajan

#### **Company Secretary**

Mr. G Vaidyanathan

## 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

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#### NOTICE

Notice is hereby given that the TWENTY-SIXTH ANNUAL GENERAL MEETING of TATA ELXSI LIMITED will be held on Friday, 24th July, 2015 at 12:30 p.m., at Devraj Urs Bhavan (behind Dr. Ambedkar Bhavan) 16D, Millers Tank Bed Area, Vasanthanagar, Bengaluru 560 052 to transact the following business:

#### **Ordinary Business**

- 1. To consider and adopt the Standalone and Consolidated Audited Financial Statement of Profit and Loss for the year ended 31st March, 2015 and the Audited 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 on equity shares for the financial year 2014-15.
- 3. To ratify the re-appointment of Deloitte Haskins & Sells, Statutory Auditors, who have been appointed at the AGM held on 18th July, 2014 for a period of three years upto the conclusion of 28th AGM to be held in the year 2017.

#### **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** Mr. N.G. Subramaniam (DIN: 07006215), who was appointed as an Additional Director of the Company with effect from 1st November, 2014, who holds office up to this Annual General Meeting pursuant to the provisions of section 161 of the Companies Act, 2013 ("the Act") and is eligible for re-appointment and in respect of whom the Company has received a notice in writing from a member u/s 160 of the Act, proposing his candidature to the office of Directorship of the Company, be and is hereby appointed as a Director of the Company whose office will be determined by retirement by rotation".
- 5. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:
  - "RESOLVED THAT Dr. G. Katragadda (DIN: 02475721), who was appointed as an Additional Director of the Company with effect from 20th November, 2014, who holds office up to this Annual General Meeting pursuant to the provisions of section 161 of the Companies Act, 2013 ("the Act") and is eligible for re-appointment and in respect of whom the Company has received a notice in writing from a member u/s 160 of the Act, proposing his candidature to the office of Directorship of the Company, be and is hereby appointed as a Director of the Company whose office will be determined by retirement by rotation".

Bengaluru, 28th April, 2015

By Order of the Board

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

CIN: L85110KA1989PLC009968

**G Vaidyanathan** Company Secretary

#### NOTES:

- a) The relevant details of the persons seeking re-appointment/appointment as Director under Item No. 4 and 5 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/HERSELF 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 carrying voting rights. 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 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 remain closed from 17th July, 2015 to 24th July, 2015 (both dates inclusive) for the purpose of determining the shareholders entitled to the payment of Dividend declared, if any, at the Annual General Meeting on 24th July, 2015 for the year ended 31st March, 2015.
  - 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 16th July, 2015 and to the Beneficial Holders as per the Beneficiary List as on 16th July, 2015 provided by the 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 Participant 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 2014-15 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 2014-15 are being sent in the permitted mode.
- h) Members may also note that the Notice of the 26th Annual General Meeting and the Annual Report 2014-15 will also be available on the Company's website <a href="www.tataelxsi.com">www.tataelxsi.com</a> for their download. The physical copies of the aforesaid documents are also available in the Company's Registered Office in Bangalore for inspection during normal business hours on any working day. Members, who have registered their email-IDs 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-id: <a href="mailto:investors@tataelxsi.com">investors@tataelxsi.com</a>.
- i) Voting through electronic means:
  - I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
  - II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
  - III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
  - IV. The remote e-voting period commences on 21st July, 2015 (9:00 am) and ends on 23rd July, 2015 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 17th July, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
  - V. The process and manner for remote 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.; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.



- (ii) Launch internet browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a>
- (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 remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vii) Select "EVEN" of "Tata Elxsi Limited".
- (viii) Now you are ready for remote 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 with a copy marked to evoting@nsdl.co.in.
- B. In case a Member receives physical copy of the Notice of AGM or members, whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy:
  - (i) Initial password is provided as below at the bottom of the Attendance Slip for the AGM:

#### EVEN (Remote 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.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of <a href="https://www.evoting.nsdl.com">www.evoting.nsdl.com</a> or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/ PIN for casting your vote.
- VIII. You can also update your mobile number and email-id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of 17th July, 2015.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 17th July, 2015, may obtain the login ID and password by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or <a href="mailto:csg-unit@tsrdarashaw.com">csg-unit@tsrdarashaw.com</a>.
  - However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" option available on <a href="https://www.evoting.nsdl.com">www.evoting.nsdl.com</a> or contact NSDL at the following toll free no.: 1800-222-990.
- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

#### TATA ELXSI

Twenty-Sixth Annual Report 2014 - 15

- XIII. Mrs. Jayashree Parthasarathy, Practicing Company Secretary (Membership No. 4610) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company at <a href="https://www.tataelxsi.com">www.tataelxsi.com</a> and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorised by him in writing. The results shall also be immediately forwarded to the 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, up to 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.
- 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 125 of the Companies Act, 2013 any dividend unpaid / unclaimed for a period of 7 years from the date these first became due for payment, is to be transferred to the Central Government to the credit of the Investor Education & Protection Fund. Thereafter, no claim shall be entertained by the company in respect of the dividend transferred to the Fund.

Members who have not yet encashed their dividends for the financial year ended 31st March, 2008 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, 2008 and 31st March, 2009 are due for transfer to the Investor Education & Protection Fund on 27th August, 2015 and 13th October, 2016 respectively. The details of unclaimed dividend for the financial years from 2007-08 to 2013-14 are uploaded in the Company's website at <a href="http://www.tataelxsi.com/investors/unclaimed-divided-amount">http://www.tataelxsi.com/investors/unclaimed-divided-amount</a>.

Bengaluru, 28th April, 2015

By Order of the Board

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

CIN: L85110KA1989PLC009968

**G Vaidyanathan** Company Secretary



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

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 and 5 of the accompanying Notice:

#### Item No. 3 (Not Mandatory):

At the Annual General Meeting held on 18th July, 2014, M/s. Deloitte Haskins & Sells (Registration No. 008072S), Chartered Accountants, were appointed as the Statutory Auditors of the Company for a period of Three (3) years upto the conclusion of 28th AGM of the Company to be held in the year 2017.

In terms of the provisions of Section 139 (1) of the Act, the appointment of Statutory Auditors is subject to ratification by members at every AGM. M/s. Deloitte Haskins & Sells, Statutory Auditors have given the certificate indicating that they satisfy the criteria as required under Section 141 of the Act.

Accordingly, members approval are being sought for the ratification of the re-appointment of Deloitte Haskins & Sells, as the Statutory Auditors of the Company upto the conclusion of the next Annual general Meeting.

The Board commends the business at Item No. 3 for approval of the Members.

None of the Director or Key Managerial Personnel (KMP) or relatives of directors and KMPs is concerned or interested in the proposed business at Item No. 3 of the Notice.

#### Item No. 4:

The Board of Directors, on the recommendation of the Nomination and Remuneration committee, had appointed Mr. N.G. Subramaniam as an Additional Director of the Company with effect from November 1, 2014, pursuant to the provisions of Section 161 of the Companies Act, 2013 and Article 151 of the Articles of Association of the Company. Accordingly, in terms of the said Article and Section Mr. N.G. Subramaniam, holds office up to the date of this Annual General Meeting and being eligible, is proposed to be appointed at this Annual General Meeting as a Director liable to retire by rotation.

Mr. Subramaniam, aged 55 years, M.Sc in Mathematics, is the Executive Vice President at Tata Consultancy Services Limited and Head of TCS Financial Solutions (TCS FS), a strategic business unit of Tata Consultancy Services Limited. He has been part of TCS and the Indian IT Industry for the past 30 years and has had opportunities to perform a variety of roles in delivering solutions to customers globally, especially in the Banking and Financial Services sector.

In his current role, he is responsible for steering the non-linear growth strategies and Products/Platform businesses of TCS globally. As Head of TCS Financial Solutions, he is responsible for the Financial Products business of TCS globally. The Division has a suite of products under the TCS BaNCS brand, covering the Capital Markets, Banking and Insurance domain. As a professional interest, he actively participates in technology and business forums in Straight Through Processing, User Experience, Risk Management and Digitization of processes.

He has attended various Management Development programs, on Strategy, Marketing, Risk Management, Business Pre-engineering conducted by various institutions of international repute.

Your Board considers that in view of the experience and expertise possessed by Mr. N.G. Subramaniam, it would be in the interest of your Company to appoint Mr. N.G. Subramaniam as a Director of your Company.

Notice and deposit as required under Section 160 of the Companies Act, 2013 have been received from a member proposing the candidature of Mr. N.G. Subramaniam as a Director of your Company.

None of the Directors, Key Managerial Personnel and/or their relatives except Mr. N.G. Subramaniam and his relatives, is concerned or interested in Item No. 4 of the Notice.

#### Item No. 5:

The Board of Directors, on the recommendation of the Nomination and Remuneration committee, had appointed Mr. Dr. G. Katragadda as an Additional Director of the Company with effect from 20th November, 2014, pursuant to the provisions of Section 161 of the Companies Act, 2013 and Article 151 of the Articles of Association of the Company. Accordingly, in terms of the said Article and Section, Dr. G. Katragadda, holds office up to the date of this Annual General Meeting and being eligible, is proposed to be appointed at this Annual General Meeting as a Director liable to retire by rotation.

Dr. Katragadda, aged 46 years, holds MS and PhD degrees in Electrical Engineering from Iowa State University, Ames, Iowa. His graduate studies at Iowa State University were funded by grants from NASA and the Gas Research Institute. He was selected as a Fellow of the Institute of Engineering and Technology in 2014. He is also a certified Six Sigma Master Black Belt.

#### TATA ELXSI

Twenty-Sixth Annual Report 2014 - 15

Dr. Katragadda joined Tata Sons as Group Chief Technology Officer from 3rd August, 2014, reporting to the Chairman, Mr. Cyrus P. Mistry. In this new role, Dr. Katragadda will be responsible for technology at the group level and share his expertise in managing R & D operations, leveraging cross-company synergies, creating technology strategies for white spaces, and acting as an evangelist for innovation across group companies.

Prior to joining Tata Sons, Dr. Katragadda has served as Managing Director of the GE India Technology Centre, leading GE's India technology team of over 5,000 engineers and scientists. In his 12 years with GE, based at the John F. Welch Technology Center in Bangalore, Dr. Katragadda built new technology teams, facilitated funding of cross-business innovation, championed the commissioning of new research labs, and helped create what is today GE's largest integrated multidisciplinary R & D centre.

Before joining GE, Dr. Katragadda worked with Karta Technologies, San Antonio, Texas, as Vice President – R & D. He also was an Adjunct Professor at the University of Texas and served on the Board of Directors of Texas Public Radio.

Dr. Katragadda has over 30 publications and 5 patents. He has authored a book on innovation, titled 'SMASH', published by Wiley. A champion of innovation across India, he serves as a member of various important forums, like the Government of Karnataka's Vision Group on Information Technology, and is an advisor to various industry bodies.

Dr. Katragadda had also served as the Chairman of the Board of Directors of GE-BEL, and is on the Industry Advisory Board of the King Abdullah University of Science and Technology.

An active volunteer in community programs, Dr. Katragadda has also founded an NGO, the India Literacy and Leadership Trust. Dr. Katragadda is also in the Board of Tata Communications Ltd.

Your Board considers that in view of the experience and expertise possessed by Dr. Katragadda, it would be in the interest of your Company to appoint Dr. Katragadda as a Director of your Company.

Notice and deposit as required under Section 160 of the Companies Act, 2013 have been received from a member proposing the candidature of Dr. Katragadda as a Director of your Company.

None of the Directors, Key Managerial Personnel, and/or their relatives except Dr. Katragadda and his relatives, is concerned or interested in Item No. 5 of the Notice.

Bengaluru, 28th April, 2015

By Order of the Board

#### Registered Office: ITPB Road, Whitefield,

Bengaluru - 560 048.

CIN: L85110KA1989PLC009968

By Order of the Board

**G Vaidyanathan** Company Secretary

#### **ANNEXURE**

Information pursuant to Clause 49 of the Listing Agreement regarding appointment of a new Director or reappointment of a Director.

Name of the Director	Mr. N.G. Subramaniam	Dr. G. Katragadda
Date of Birth	20th May, 1959	8th May, 1968
Date of appointment	1st November, 2014	20th November, 2014
Specialised Expertise	IT Industry and General Management	IT Industry and General Management
Qualifications	M.Sc in Mathematics	MS and PhD degrees in Electrical Engineering from Iowa State University, Ames, Iowa.
Directorships of other companies* as at 31st March, 2015	Nil	Tata Communications Limited,     Director
Chairmanship/Membership of other Committees** as at 31st March, 2015	Nil	Nil
No. of shares held in the Company as on 31st March, 2015	Nil	Nil

<sup>\*</sup> Excludes private/foreign companies.

<sup>\*\*</sup> Only Audit and Stakeholders Relationship Committees are considered.



#### **DIRECTORS' REPORT TO THE MEMBERS**

1. Your Directors are pleased to present the Twenty sixth Annual Report on the business and operations of the Company along with the Audited Statements of Accounts for the financial year ended March 31, 2015.

#### 2. Result of Operations - Extract

(₹ Crores)

	Standalone		Consolidated	
	2014-15	2013-14	2014-15	2013-14
Sales and Service	849.40	772.10	849.40	774.79
Other income	4.14	15.68	3.35	12.54
Total Income	853.54	787.78	852.75	787.33
Profit before financial expenses, depreciation and exceptional items	181.52	151.80	180.66	149.00
Less: Financial expenses	_	1.83	_	1.83
Depreciation	25.54	34.99	25.54	34.99
Profit for the year	155.98	114.99	155.12	112.19
Less: Provision for Income tax	53.08	39.88	53.10	39.93
Profit after tax	102.90	75.11	102.02	72.26
Add: Profit brought forward	146.34	111.36	146.37	114.24
Balance available for appropriation which has been appropriated as under:	249.24	186.47	248.39	186.50
Depreciation on transition to Schedule-II of the Companies Act, 2013 on tangible fixed assets with Nil remaining useful life	13.30	-	13.30	-
Proposed dividend	34.25	28.02	34.25	28.02
Dividend tax thereon net of reversal thereof	6.82	4.11	6.82	4.11
Transfer to General Reserve	10.00	8.00	10.00	8.00
Balance of profit carried to Balance Sheet	184.87	146.34	184.02	146.37
Total appropriations	249.24	186.47	248.39	186.50

#### 3. Dividend

Your Directors recommend for your approval, a dividend of 110% (₹ 11/- per share) for the year ended 31st March, 2015, compared to 90% (₹9 per share) in the previous year.

This will involve an outgo of ₹ 41.07 crores compared to ₹ 32.13 crores in the previous year, including dividend distribution tax.

#### 4. Reserves

Your Directors have approved a transfer of  $\mathfrak{T}$  10 crores to the General Reserves for the year ended 31<sup>st</sup> March, 2015, as against an amount of  $\mathfrak{T}$  8 crores in the previous year.

#### 5. Review of Operations

The total income during the year under review increased by 8% from 787.78 crores in the previous year to ₹ 853.54 crores.

The Profit Before Tax (PBT) increased by 36% from 114.99 crores in the previous year to ₹ 155.98 crores.

The Profit After Tax (PAT) increased by 37% from 75.11 crores in the previous year to ₹ 102.90 crores.

During the year under review, our concerted effort in growing revenues from the embedded product design and industrial design services, increasing the composition of software sales and support services in the Systems Integration business, and balanced control of operational costs, resulted in improved top line and bottom line performance.

#### 6. MANAGEMENT DISCUSSION AND ANALYSIS

#### **Industry Outlook**

The global economic outlook in the year under review was divergent, with growth in the United States, weaker recoveries in Europe and Japan, while emerging economies including China slowed down in growth rates. IT Exports were impacted by significant exchange rate volatility especially with the Euro and Pound Sterling weakening in the second half of FY15.

As per NASSCOM, Indian IT export revenues is expected to grow by 12-14% in FY16, while domestic IT revenues excluding e-commerce is expected to grow at a similar rate.

#### **Business Analysis**

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

#### **Software Development and Services**

This business segment grew by 15% from 682.70 crores in the previous year to ₹ 781.85 crores in FY15. Segment profit increased by 28% from 137.90 crores in the previous year to ₹ 176.33 crores during FY15.

As per NASSCOM, Indian IT exports grew by 12.3% in FY15, and Engineering R&D and product development grew at 13.2%. Your company's revenues under this business segment outpaced the industry in FY15.

As technologies, industries and markets converge, each intersection presents both challenges and opportunities for companies to innovate and deliver new and enhanced products and services. New services are also emerging from the increasing connectedness of people and devices.

This presents us an unique opportunity to leverage our technology capabilities, user centric design and creative experience, and position ourselves as a complete solutions and service provider.

The software development and services segment consists of three distinct business divisions:

#### **Embedded Product Design**

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

#### **Transportation**

We offer electronics, software development and system design services for the automotive and aerospace industry.

Software content in cars is increasing, especially in areas such as in-vehicle infotainment, active safety systems, telematics, electric and hybrid powertrains.

We are leveraging our cross-technology expertise in multimedia, imaging, connectivity technologies, and well-established processes for automotive software development, to support both car manufacturers and systems suppliers in product development and engineering.

We are also working with some leading aerospace OEMs and suppliers for avionics and electronics design.

We supported India's Mars Orbiter mission – Mangalyaan, by designing the Data Control Hardware which was installed in the Mars Orbiter, that was successfully inserted into the Martian orbit on 24th September 2014.

#### **Broadcast and Consumer Electronics**

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

We also engage with Broadcast service providers across the world for the development of value-added applications, and help them reduce engineering costs associated with development and deployment through cost-effective offshore services.

We have supported the successful launch of India's first 4K television services that deliver Ultra High Definition (UHD) picture quality to consumers.



#### Communications

We work with leading networking & communications product manufacturers for product development, test, maintenance and support services.

Our technology and R&D services leadership is further strengthened by active participation in global industry bodies, technology partnerships and leading trade shows such as the International Broadcasting Convention (IBC) and Consumer Electronics Show (CES).

We continue to participate in leading international industry events and standards bodies, to strengthen our leadership position and keep abreast of technology trends in concerned industry sectors.

#### Industrial Design (ID)

The 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 and healthcare.

Products designed by us have been awarded the I Mark, which signify good design not only in terms of form and aesthetic appeal, but also in terms of product quality, functionality, safety, sustainability, usability and social responsibility.

We conduct an annual design contest 'Ignite' in order to promote design thinking amongst the next generation of designers and help them create new connected experiences. The contest is intended to engage with students and help them to think critically about the latest technology and its implications for the present and future. The 3rd edition of the contest received an overwhelming response from design students from across the country, which concluded in February 2015.

#### Visual Computing Labs (VCL)

VCL provides high-end Visual Effects and 3D Animation services for the media and entertainment industry, addressing content development for feature films, episodic television serials, advertising commercials and gaming.

We have focused on selecting and working on projects that support the required level of profitability, exploring and addressing adjacent areas for custom content development, and managing operational costs.

#### **Systems Integration and Support**

During the year under review, our Systems Integration & Support segment reported a turnover of ₹ 67.55 crores and profit of ₹ 5.94 crores.

We implement and integrate complete systems and solutions for High-Performance Computing, CAD/CAM/CAE/PLM, Broadcast, Virtual Reality, Storage, and Disaster Recovery. We also provide Professional Services for maintenance and support of IT infrastructure in India and overseas.

We continue to focus on increasing the share of software sales and support services in this segment, for improved margins.

#### Threats, concerns and risks

According to NASSCOM, currency volatility, macroeconomic headwinds and challenges in certain industries are likely to affect growth in the export of IT services from India in the short and medium term.

Our revenues are well distributed amongst various currencies and geographies, thereby reducing the impact from any single geography or currency to some extent.

Protectionist government policies in key markets such as the US and Europe may create barriers in on-site deployment of India-based talent. We are focusing on maximizing offshore execution of projects to mitigate the impact of such policies.

We have a presence in multiple industries, thereby helping mitigate risks caused by the cyclical nature of any one industry segment.

#### Internal Control Systems and their adequacy

We believe that internal control and risk management are necessary prerequisites of the principle of governance. Our Management is committed to ensuring an effective internal control environment, commensurate with the size and

complexity of the business, which provides assurance on the efficiency of operations and security of assets. We have an effective internal control system, which is assessed and strengthened with new/revised standard operating procedures and which ensures that all our assets are safeguarded and protected against any losses.

We have co-sourced the internal audit function. We have entrusted quarterly internal audits to a reputed Audit firm – Ernst & Young. In addition, the inhouse internal audit team also regularly carries out audits of specific processes. Their annual audit plans are approved by the Audit Committee of the Board. Internal Audit Reports are discussed with the Management and are reviewed by the Audit Committee of the Board, which also reviews the adequacy and effectiveness of our internal controls.

#### **Financial Analysis (Consolidated)**

	2014-15	2013-14	Change over	Percentage of income		
			previous year	2014-15	2013-14	
	₹ crores	₹ crores	%	%	%	
Sales and services	849.40	774.79	9.63	99.61	98.41	
Other income	3.35	12.54	(73.29)	0.39	1.59	
Total Revenues	852.75	787.33	8.31	100.00	100.00	
Cost of sales	75.21	75.25	(0.05)	8.82	9.56	
Personnel expenses	460.61	402.96	14.31	54.01	51.18	
Financial expenses	0	1.83	(100.00)	0	0.23	
Depreciation/ Amortization	25.54	34.99	(27.01)	2.99	4.44	
Other expenses	136.27	160.12	(14.90)	15.98	20.34	
Total Expenditure	697.63	675.14	(3.33)	81.81	85.75	
Profit before tax and exceptional items	155.12	112.19	38.26	18.19	14.25	
Tax	53.10	39.93	32.98	6.22	5.07	
Profit after tax for the year	102.02	72.26	41.18	11.97	9.18	

#### **Analysis of Overheads**

Items	2014-15 20		Variance
	₹ crores	₹ crores	%
Operating lease rent	14.01	14.08	(0.50)
Communication expenses	9.07	7.43	22.07
Inland travel and conveyance	11.39	11.93	(4.53)
Overseas travel	36.43	33.89	7.49
Consultant fees for software development	25.53	43.52	(41.34)
Provision for doubtful debts/ advances	0.49	3.49	(85.96)

#### **Significant Ratio Analysis**

Sl.No.	Particulars	Unit	31.03.15	31.03.14
1	Earnings before interest, depreciation and tax/Sales	%	21.27	19.23
2	Profit before taxes/Sales	%	18.26	14.48
3	Profit after taxes/Sales	%	12.01	9.33
4	Current Ratio	No. of times	1.92	1.69
5	Debt Equity Ratio	Ratio	0	0
6	Earnings per share	₹	32.76	23.21

#### **Human Resources**

As a technology-led design company, we continue to invest in acquiring and retaining talent, as well as continuous skill development, to help absorb the rapid changes in technologies and deliver greater value to our customers. Our total headcount including consultants was 4156 as of March 31, 2015.



We have launched a first-of-its-kind academic collaboration and talent incubation program branded ACTIV@TE. This program helps to develop engineering students with the objective of preparing them to be job ready and productive from the very first day of their professional careers. The first chapter of ACTIV@TE program was launched at Sree Chitra Thirunal (SCT) College of Engineering, Trivandrum.

#### **Quality initiatives**

We have instituted very strong quality processes in the execution of our software development projects, and implemented robust information security management processes to assure our global customer base of the required level of confidentiality and protection of data and information. We have also been assessed and certified for industry-specific standards such as ISO 9001:2008, ISO 13485:2012, ISO 27001 and ISO 13485:2003.

#### 7. Directors and Key Managerial Personnel

In terms of Section 161 of the Companies Act, 2013 Mr. N.G. Subramaniam and Dr. G. Katragadda, Non – Executive and Not-Independent Directors, who have been appointed as Additional Directors retire at the ensuing Annual General Meeting. We have received a Notice under Section 160 (1) of the Companies Act, 2013 from a member proposing the candidatures of Mr. N.G. Subramaniam and Dr. G. Katragadda to the office of Directorship, whose terms of office shall be determined for retirement by rotation.

Mr. S. Ramadorai, the then Chairman, retired from the Board with effect from October 06, 2014, on attaining the age of 70 years as per our policy. The Board placed on record their appreciation for the exemplary leadership and guidance rendered by Mr. Ramadorai during his tenure on the Board.

Mrs. Sudha Madhavan, CFO, resigned from her position w.e.f. September 19, 2014 to seek other career opportunities.

The Board on the recommendation of the Audit Committee, appointed Mr.K. Ramaseshan as our CFO w.e.f. January 21, 2015.

During the year under review, Seven (7) Board meetings were held and well attended by the Directors. We have circulated the Calendar of meetings for the year 2015-16 to the Directors.

The Independent Directors have submitted their declaration that they fulfill the requirements as stipulated in Section 149 (6) of the Companies Act, 2013. Pursuant to Clause VII (1) of Schedule IV of the Companies Act, 2013. The Independent Directors had a separate meeting on 25th March, 2015.

#### 8. Directors' Responsibility Statement

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2014-15.

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

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

#### 10. Particulars on Remuneration

The information required under Section 197(12) of the Companies Act 2013 Read with Rule 5(2) and 5(3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 forms part of the Directors' Report and have not been attached. However, in terms of first proviso to Section 136(1) the particulars as referred above are available for inspection at our Registered office during business hours on working days, up to the date of the ensuing Annual General Meeting. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

Particulars pursuant to Section 197(12) of the Companies Act 2013 Read with Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 are provided in Annexure-A.

Our Board has adopted a Remuneration Policy as also the Charter for the Nomination & Remuneration Committee (NRC). The Policy covers the Policy on remuneration to our Managing Director, Key Managerial Personnel and other officers. The Charter lays down the Rights, Roles and Responsibilities of the NRC. A Policy on Board diversity has also been adopted by the Board. A comprehensive Governance Guidelines for Board effectiveness has also been adopted by the Board on the recommendation of NRC. The Guidelines lay down the following:

- Composition and Role of the Board (Role of the Chairman, Directors, size of the Board, Managing Director, Executive Director, Non-Executive Directors, Independent Directors, their term, tenure and Directorship).
- Board appointment, Industrial Development.
- Directors remuneration (Guided by Remuneration policy).
- Subsidiary oversight.
- Code of Conduct (Managing Director, Executive Director, Non-Executive Directors, Independent Directors).
- Board effectiveness review.
- Mandate of the Board Committee.

#### 11. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The particulars pursuant to section 134 (m) of the Companies Act, 2013 is attached with this report as Annexure-B.

#### 12. Risk Management Policy

We have adopted a Risk Management Policy to identify and categorize various risks, implement measures to minimize impact of these risks where it is deemed necessary and possible, and a process to monitor them on a regular basis. More details are given under Section-6 of Corporate Governance Report.

#### 13. Corporate Social Responsibility

We have constituted a CSR committee for the purposes of recomending and monitoring the CSR initiatives of the Company.

The Board on the recommendation of CSR Committee adopted a CSR Policy. The same is available on Company's website at (<a href="http://www.tataelxsi.com/company/corporate-sustainability">http://www.tataelxsi.com/company/corporate-sustainability</a>). The CSR objectives are designed to serve societal, local and national goals in the locations that we operate in, create a significant and sustained impact on local communities and provide opportunities for our employees to contribute to these efforts through volunteering.

The Annual Report on the CSR initiatives undertaken by the Company as per the Companies (Corporate Social Responsibilities Policy) Rules, 2014 is annexed as Annexure-C. The details of the CSR Committee and its composition is given in section-7 of the Corporate Governance Report.

#### 14. Subsidiary Company, Statement under Section 129 of the Companies Act, 2013 and Consolidated Financial Statements

Our wholly owned subsidiary, Tata Elxsi (Singapore) Pte. Ltd. did not accrue any revenue during the year under review. There has been an expenditure of ₹ 0.06 crores during the year under review. Our Board of Directors have given their consent to the closure of Subsidiary and the same is under process. The details of subsidiary as required under the provisions of the Companies Act, 2013 are given in page No. 93 Members interested in obtaining a copy of the Audited annual accounts of the subsidiary company may write to the Company Secretary.

#### 15. 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.



#### 16. Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Ms. Jayashree Parthasarthy, a Company Secretary in Practice, was appointed to undertake the Secretarial Audit. The Report of the Secretarial Audit for the year ended 31st March, 2015 is attached to the Directors' Report at page No. 27.

#### 17. Prevention of Sexual Harassment

We have zero tolerance for sexual harassment at workplace and have adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and Redressal of complaints of sexual harassment at workplace.

During the year FY15, we received one (1) complaint related to sexual harassment; the same has been disposed of and appropriate action taken. There are no pending complaints for FY15.

#### 18. Vigil Mechanism

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

To this effect the Board has adopted a 'Whistle Blower Policy' (WBP), which is overseen by the Audit Committee. The policy provides safeguards against victimization of the Whistle Blower. Employees and other stakeholders have direct access to the Chairperson of the Audit Committee for lodging concerns if any, for review.

The said policy has been posted on our intranet where all the employees have access. Our Company conducts 'Policies Awarness Campaign' regularly for its employees at its various centres, and the WBP also features in the campaign amongst others.

#### 19. Others

There are no loans, guarantees and investments made by us u/s 186 of the Companies Act, 2013 during the year under review.

The extract of Annual Return in MGT-9 is attached and forms part of the Directors'report.

We have neither accepted nor renewed any deposit during the year under review.

The Unclaimed Dividend in respect to the financial year 2007-08 is due for remittance to Investors' Education & Protection Fund (IEPF) on 27th August, 2015 in terms of Section 125 of the Companies Act, 2013.

There are no material changes and commitments affecting our financial position between the end of the financial year to which this financial statement relate and the date of this report.

#### 20. Auditors

Delloitte Haskins & Sells (DHS), Chartered Accountants, the Statutory Auditors, who have been appointed for a period of 3 years and whose reappointment is to be ratified at the ensuing Annual General Meeitng, have confirmed that their certificate dated April 21, 2014 issued pursuant to the provisions of Section 139(1) of the Companies Act, 2013 holds good for the period of re-appointment.

#### 21. Acknowledgements

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

On behalf of the Board of Directors

N.G. Subramaniam Chairman

Bengaluru, 28th April, 2015

#### ANNEXURE "A" TO DIRECTORS' REPORT

Particulars Pursuant to Section 197(12) of the Companies Act, 2013 and the Rules made thereunder:

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:

Non-Executive Directors	Ratio to median remuneration
Mr. S. Ramadorai*	_
Mr. Patrick McGoldrick	2.14
Mr. Piyush Mankad	3.34
Dr. R. Natarajan	4.82
Mrs. S. Gopinath	5.22
Mr. N G Subramaniam*	-
Dr. G Katragadda*	_
Executive Director	
Mr. Madhukar Dev, MD & CEO	40.51

<sup>\*</sup>Since the information is part of the year, the same is not comparable

(ii) Percentage increase in the remuneration of the Directors, Managing Director & CEO, Chief Financial Officer and Company Secretary in the financial year:

Directors, Managing Director & CEO, Chief Financial officer and Company Secretary	% increase in the remuneration in the financial year
Mr. S. Ramadorai*	_
Mr.Patrick McGoldrick	60
Mr. Piyush Mankad	56
Dr. R. Natarajan	50
Mrs. S. Gopinath	70
Mr. N G Subramaniam*	_
Dr. G Katragadda*	_
Mr. Madhukar Dev, MD & CEO	35
Mrs. Sudha Madhavan, CFO*	_
Mr. K. Ramaseshan, CFO*	_
Mr. G. Vaidyanathan, Company Secretary	20

<sup>\*</sup>Since the information is part of the year, the same is not comparable

- (iii) The percentage increase in the median remuneration of employees in the financial year: 19.76%
- (iv) The number of permanent employees on the rolls of Company: 3864
- (v) The explanation on the relationship between average increase in remuneration and company performance: The Company's PAT increased from ₹ 72 Cr to ₹ 102 Cr, an increase of 42% against which the average increase in remuneration is 12%; and this increase is aligned with the Company's Remuneration Policy.
- (vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:

The aggregate remuneration to KMP is ₹ 4.01 crores which is 0.47 % of Company's income from operations of ₹ 849.40 crores and 3.93% of Profit After Tax (PAT) of ₹ 102.02 crores. As per the Company's Remuneration Policy, the compensation of the key managerial personnel is based on performance, industry and working of the company and its goal.



(vii) Variations in the market capitalisation, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer:

As on	Issued Capital (Shares)	Market Price in ₹	EPS in ₹	P/E ratio	Market Capitalisation (₹ in crores)
31.3.2014	31,138,220	553.95	24.21	22.88	1725
31.3.2015	31,138,220	1157.95	33.05	35.04	3606
Increase/(Decrease)	Nil	604.00	8.84	12.16	1881
Issue Price at the last public offer		20.00			
Increase in market price as on 31.03.2015 as compared to the issue price		1137.95			
% increase		5689.75			

(viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

The average increase in salaries of employees other than managerial personnel in 2014-15 was 12%. Percentage increase in the managerial remuneration for the year was 35%.

(ix) comparison of the each remuneration of the Key Managerial Personnel against the performance of the company:

Name	CTC (₹)	PAT	PAT
		(₹ In crores)	Increase in %
Mr.Madhukar Dev, Managing Director	3,02,86,906		
Mrs. S. Madhavan, CFO*	45,27,581	102.02	42%
Mr. K. Ramaseshan, CFO*	26,15,491		
Mr. G. Vaidyanathan, Company Secretary	26,69,000		

<sup>\*</sup>Part of the year

(x) the key parameters for any variable component of remuneration availed by the directors:

Except for the Managing Director & CEO, Mr. Madhukar Dev, no directors have been paid any variable remuneration. The MD & CEO is paid variable component by way of commission, as per the Remuneration Policy of the Company and as approved by the members of the Company within the permissible limit as prescribed in the Companies Act, 2013.

- (xi) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: NiL
- (xii) The Company hereby affirm that the remuneration is as per the remuneration policy of the company.

#### 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, 2015.

Madhukar Dev Managing Director

#### ANNEXURE "B" TO DIRECTORS' REPORT

Particulars pursuant to Section 134(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014

#### 1. Conservation of Energy

We are in a knowledge intensive industry, and do not operate industrial machinery, production facilities, or other such energy intensive operations. However, as a responsible corporate citizen, we continue to pursue and adopt appropriate energy conservation measures.

Active measures taken by us towards energy conservation and carbon footprint reduction include 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.

We undertake regular reviews of energy requirements and consumption patterns, with action plans for effective utilization of power, during peak and non-peak seasons.

We also undertake 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.

#### 2. Technology absorption, adaption and innovation

Our key services include software and electronic system development for industries such as automotive, broadcast and communications. Certain portion of our talent base is dedicated to developing expertise in emerging technologies and standards.

This is achieved through training and in-house R&D projects, and supported by technology partnerships, subscriptions and active participation in standards and technology forums, trade shows. These help in enabling new technology familiarity for the engineering teams, as part of the continuous training and human resource development.

Internal Intellectual Property (IP) programs facilitate us 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 reusable software components and frameworks which have the potential to generate future revenue streams through commercialization and licensing.

#### **R&D Activities and Expenditure**

During the year, we invested 2.75% of revenue towards in-house R&D projects. We intend to continue investing in technology IP development, especially those related to automotive, broadcast and communications.

Expenditure incurred in the R&D centers and innovation centers during the financial year 2014-15 are given below:

i. Capital : ₹ 5.64 crores ii. Recurring : ₹ 17.73 crores iii. Total : ₹ 23.37 crores

iv. Total R & D expenditure as a percentage total turnover: 2.75%

#### 3. Foreign Exchange earnings and outgo

Export revenue constituted 82.20% of the total unconsolidated revenue in financial year 2014-15.

(₹ Crores)

Foreign exchange earnings	701.59
CIF Value of imports	27.16
Expenditure in foreign currency	236.36



#### ANNEXURE "C" TO DIRECTORS' REPORT

#### **Annual Report on Corporate Social Responsibility**

[Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014]

- 1. A brief outline of the Company's CSR Policy, including overview of the projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.
  - CSR Policy has been adopted and the same is available on the Company's Website at the following link:http://www.tataelxsi.com/company/corporate-sustainability/CSR policy.
- 2. The Composition of the CSR Committee:
  - Mrs. S. Gopinath, Chairperson (Independent Director)
  - Mr. P.G. Mankad, Member (Independent Director)
  - Mr. Madhukar Dev, Member (CEO & MD)
- 3. Average net profit of the Company for last three financial years : ₹ 5,529.43 lakhs
- 4. Prescribed CSR Expenditure (two percent of the amount as in Item No. 3 above): ₹ 110.59 lakhs
- 5. Details of CSR spent during the financial year:
  - (a) Total amount to be spent for the financial year: ₹ 110.18 lakhs
  - (b) Amount unspent, if any: Nil
  - (c) Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
SI.	CSR Project or	Sector in which	Projects or Programs	Amount	Amount spent on the	Cumulative	Amount spent Direct or
No.	Activity identified	the project is	1) Local area or other	outlay	projects or programs	expenditure	through implementing
		covered	2) Specify the state and	(budget)	Sub heads: 1) Direct	up to the	agency
			districts where projects	project or	expenditure on	reporting	
			or programs was/were	program	projects or programs	period	
	D' ' ' ' '		undertaken	wise	2) Over heads	02.46	D: .
1.	Disaster relief	Socio-economic development	National PM Relief Fund	73.54	82.46	82.46	Direct
		and Relief					
2.	Promotion for road	Promoting	Bengaluru (Karnataka)	15.76	6.86	6.86	Direct
	safety	Education					
3.	Education &	Promoting	Thiruvananthapuram,	15.76	6.25	6.25	Direct
	employment-related	Education	(Kerala),				
	vocational skills		Bengaluru (Karnataka)		1.56		SGBS Trust
			ci		1.40	9.21	FAEA (Implementing Agency)
	Sanitation		Chennai (Tamil Nadu)		0.60	9.81	Direct
	Sanitation		Bengaluru (Karnataka)		6.10	6.10	Direct
	TOTAL		bengaluru (Karriataka)	105.06			Direct
	_				105.23	105.23	
	Allowable expenditure			5.53	5.36	5.36	
	(overheads)						
	towards personnel & administration						
	expenses for CSR team						
	Total CSR budget and			110.59	110.59	110.59	
	spent for FY 2014-15			110.55	110.55	110.55	

- 1. SGBS Trust Unnati Program for employability and employment for the needy young adults.
- 2. Foundation for Academic Excellence and Access (FAEA) Assistance for higher education for needy students from disadvantaged communities.

Responsibility statement: The CSR Committee hereby confirms that the implementation and monitoring of the Company CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Madhukar Dev Managing Director **Shyamala Gopinath** Chairperson, CSR Committee

#### MGT - 9 EXTRACT OF ANNUAL RETURN as on the financial year ended 31st March, 2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

i) CIN : L85110KA1989PLC009968

ii) Registration Date : 30.3.1989

iii) Name of the company : Tata Elxsi Limited

iv) Category/ Sub-Category of the Company
 v) Address of the Registered office and Contact Details
 Public Company having Share Capital
 ITPB Road, Whitefield, Bengaluru - 560 048

Tel: 080 2297 9123

e-mail: investors@tataelxsi.com

vi) Whether listed or unlisted Company (Yes/No) : Yes

vii) Name, Address and Contact details of Registrar : TSR Darashaw Limited

and Share transfer Agents : 6-10, Haji Moosa Patrawala Industrial

Estate, #20 Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011 Tel: 022 6656 8484 e-mail: csg-unit@tsrdarashaw.com

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

	SI. No.	Name and Description of the main products/services	NIC Code of the Product/ Sevice	% to total turnover of the Company
1	1	Design And Development of Computer Hardware and Software	NA	92.04

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

SI. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Tata Sons Limited Bombay House 24, Homi Mody Street, Mumbai - 400 001	U99999MH1917PLC000478	Associate	42.22	2(6)
2	Tata Elxsi (Singapore) Pte. Ltd. No.79, Robison Road, #16-01, CPF Building, Singapore - 068897	UEN 200722442D	Wholly owned Subsidiary	100	2(87)



## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of total Equity) i) Category-wise Share holding

Category of Shareholders	No. of Shar	es held at	the beginnii ar	ng of the	No. of Sl	hares held at	the end of	the year	% Change during the
	Demat	Phyisical	Total	% of total shares	Demat	Phyisical	Total	% of total shares	year
A. Promoters									
(1) Indian									
a) Bodies Corporate	14047632	0	14047632	45.11	13997288	0	13997288	44.95	-0.16
Sub-Total (A) (1):	14047632	0	14047630	45.11	13997688	0	13997288	44.95	-0.16
(2) Foreign	_	_	_	_	-	_	_	_	_
Total Share holding of Promoter (A) = (A)(1)+(A)(2)	14047632	0	14047632	45.11	13997288	0	13997288	44.95	-0.16
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	333	200	533	0	214828	200	215028	0.69	0.69
b) Banks / Fl	7701	200	7901	0.03	21454	200	21654	0.07	0.04
c) Insurance Companies	1161339	0	1161339	3.73	796339	0	796339	2.56	-1.17
Sub-Total (B) (1):	2251920	2700	2254620	7.24	3569524	2700	3572224	11.47	4.23
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	3174342	5001	3179343	10.21	2117809	3901	2121710	6.81	-3.4
ii) Overseas	_	-	-	-	-	-	_	_	-
b) Individuals									
<ul> <li>i) Individual Shareholder holding nominal share capital upto ₹ 1 Lakh.</li> </ul>	8028311	1626285	9654596	31.01	7718292	1551851	9270143	29.77	-1.24
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 Lakh	1994977	0	1994977	6.41	216645	0	216645	6.96	0.55
c) Others (specify)	0	0		0	0	0	0	0	0
Sub-Total (B) (2):	13204682	1631286	14835968	47.65	12012956	1555752	13568708	43.58	-4.07
Total Public Shareholding (B) = (B) (1)+(B)(2)	15456602	1633986	17090588	54.89	15582480	161558452	177140932	55.05	0.16
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A + B + C)	29504234	1633986	31138220	100	29579768	1558452	31138220	100	

#### ii) Shareholding of Promoters

SI. No.	Shareholder's Name	areholder's Name Shareholders at the Beginning of the Year Shareholders at the end of the				end of the	% change in Shareholding			
		No. of Shares	% of total Shares of the Company	% of total Shares Pledged / encumbered to the total Shares	No. of Shares	% of total Shares of the Company	% of total Shares Pledged / encumbered to the total Shares	during the Year		
1	Tata Sons Limited	13147632	42.22	Nil	13147632	42.22	Nil	0		
2	Tata Investment Corporation Limited	900000	2.89	Nil	849656	2.73	Nil	-0.16		
Tota	l	14047632	45.11	Nil	13997288	44.95	Nil	-0.16		

#### iii) Change in Promoter's Shareholding (please specify, if there is no change)

Name of the ShareHolder	Date	Reason	beginnin	lding at the g of the year 04.2014	Cummulative Shareholding during the year		
			No. of Shares	% of total Shares of the company	No.of Shares	% of total Shares of the company	
Tata Investment	01-Apr-2014	At the beginning of the year	900000	2.89	900000	2.89	
Corporation Limited	09-May-2014	Decrease	-30344	-0.10	869656	2.79	
Lillited	13-Mar-2015	Decrease	-20000	-0.06	849656	2.73	
	31-Mar-2015	At the end of the year			849656	2.73	
Tata Sons Limited	ta Sons Limited 01-Apr-2014 At the begin		13147632	42.22	13147632	42.22	
	31-Mar-2015	At the end of the year			13147632	42.22	

#### iv) Shareholding pattern of Top 10 Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

SI. No.	Name of the Share Holder	Date	Reason	(+/-) in Shareholding		olding at the g of the year	Cummulative Shareholding during the		
								year	
					No. of	% of total	No. of	% of total	
					Shares	Shares of the	Shares	Shares of the	
						company		company	
1	Life Insurance	01-Apr-2014		At the beginning of the year	1134198	3.64	1134198	3.64	
	Corporation Of	10-Oct-2014	Transfer	Decrease	-12000	-0.04	1122198	3.60	
	India	17-Oct-2014	Transfer	Decrease	-15000	-0.05	1107198	3.56	
		24-Oct-2014	Transfer	Decrease	-5000	-0.02	1102198	3.54	
		31-Oct-2014	Transfer	Decrease	-54499	-0.18	1047699	3.36	
		7-Nov-2014	Transfer	Decrease	-13501	-0.04	1034198	3.32	
		23-Jan-2015	Transfer	Decrease	-186950	-0.60	847248	2.72	
		30-Jan-2015	Transfer	Decrease	-14288	-0.05	832960	2.68	
		6-Feb-2015	Transfer	Decrease	-48762	-0.16	784198	2.52	
		31-Mar-2015		At the end of the year	0	0.00	784198	2.52	



SI. No.	Name of the Share Holder	Date	Reason	(+/-) in Shareholding	Shareholding at the beginning of the year		Cummulative Shareholding during the year		
					No. of	% of total	No. of	% of total	
					Shares	Shares of the	Shares	Shares of the	
					Silaies	company	Silaies		
2	Swiss Finance	01-Apr-2014		At the beginning of the year	100000	0.32	100000	company 0.32	
_	Corporation	24-Oct-2014	Transfor		5439	0.02	105439		
		28-Nov-2014			-5439	-0.02	100000		
	(iviauritius) Limiteu		Transfer		12211	0.04		0.32	
		23-Jan-2015			5215	0.02	117426		
		30-Jan-2015			8699	0.03			
		6-Feb-2015			42107	0.14		0.54	
		20-Feb-2015			6190	0.02		0.56	
		27-Feb-2015			76589	0.02		0.81	
		20-Mar-2015			-20000	-0.06	231011	0.74	
		31-Mar-2015	ITALISTE	At the end of the year	-20000	-0.00	231011	0.74	
3	Acadian Emerging	01-Apr-2014		At the beginning of the year	126799	0.41	126799		
٦	Markets Equity Ii	2-May-2014	Transfer		97557	0.31	224356		
	Fund Llc			At the end of the year	37337	0.51	224356		
4	Kotak Mahindra	01-Apr-2014	Hansiei	At the beginning of the year	126875	0.41	126875		
7	Investments Ltd		Transfor	Decrease	-51097	-0.16	75778		
	linvestinents Ltu	11-Apr-2014			-2847	-0.10	72931	0.23	
		18-Apr-2014			724	0.00	73655		
		25-Apr-2014			89806	0.00	163461	0.52	
		2-May-2014			3664	0.23	167125	0.54	
		9-May-2014			-18197	-0.06	148928		
		16-May-2014			-39974	-0.13	108954		
		23-May-2014			7587	0.02	116541	0.37	
		30-May-2014			83329	0.02	199870	0.64	
				Decrease	-42120	-0.14			
		13-Jun-2014			65235	0.21	222985	0.72	
		20-Jun-2014			-13552	-0.04		0.67	
		30-Jun-2014			-24628	-0.08	184805	0.59	
				Decrease	-35314	-0.11	149491	0.48	
		10-Jul-2014			64535	0.21	214026	0.69	
		11-Jul-2014			-1337	-0.00			
		18-Jul-2014			-55052	-0.18		0.51	
		25-Jul-2014			-13748	-0.04		0.46	
		1-Aug-2014			11613	0.04		0.50	
		8-Aug-2014			68603	0.22	224105	0.72	
		15-Aug-2014			6558	0.02	230663	0.74	
		22-Aug-2014			-46573	-0.15	184090	0.59	
		29-Aug-2014			925	0.00			
		12-Sep-2014			-158	-0.00	184857	0.59	
		19-Sep-2014			5294	0.02		0.61	
		30-Sep-2014			18135	0.06			
		3-Oct-2014			-1000	-0.00			
		31-Oct-2014			28679	0.09			
		14-Nov-2014			1500	0.00			
		28-Nov-2014			-900	-0.00			
		12-Dec-2014			-100	-0.00			
		31-Dec-2014			-32880	-0.11	203585		
		16-Jan-2015			10000	0.03			
		23-Jan-2015			-10815	-0.03			

SI.	Name of the Share	Date	Reason	(+/-) in Shareholding	Shareholding at the beginning of the year			mulative
No.	Holder				beginnin	g of the year	Sharehold	ing during the year
					No. of	% of total	No. of	% of total
					Shares	Shares of the	Shares	Shares of the
						company		company
		30-Jan-2015	Transfer	Increase	2725	0.01	205495	0.66
		6-Feb-2015	Transfer	Increase	628	0.00	206123	0.66
İ		13-Feb-2015	Transfer	Increase	8940	0.03	215063	0.69
		20-Feb-2015	Transfer	Decrease	-4461	-0.01	210602	0.68
		27-Feb-2015			-13351	-0.04	197251	0.63
				Decrease	-14975	-0.05	182276	0.59
		13-Mar-2015			262	0.00	182538	0.59
		20-Mar-2015			2965	0.01	185503	0.60
		27-Mar-2015	Transfer		2862	0.01	188365	0.60
		31-Mar-2015		At the end of the year	300	0.00	188665	0.61
5	<b>Emerging Markets</b>	01-Apr-2014		At the beginning of the year	113473	0.36	113473	0.36
	Core Equity	9-May-2014			14624	0.05	128097	0.41
	Portfolio (The	16-May-2014			34718	0.11	162815	0.52
	Portfolio) of	23-May-2014			17009	0.05	179824	0.58
	DFA Investment	30-May-2014			5721	0.02	185545	0.60
	Dimensions Group	31-Mar-2015		At the end of the year	0	0.00	185545	0.60
	Inc (DFAIDG)							
6	The Emerging	01-Apr-2014		At the beginning of the year	155165	0.50	155165	0.50
	Markets Small Cap	27-Feb-2015	Transfer	Increase	28176	0.09	183341	0.59
	Series of The Dfa	31-Mar-2015		At the end of the year	0	0.00	183341	0.59
	Investment Trust							
	Company							
7	Chetan Jayantilal	01-Apr-2014		At the beginning of the year	175000	0.56	175000	0.56
	Shah	31-Mar-2015		At the end of the year	0	0.00	175000	0.56
8	Vanaja Sundar Iyer	31-Mar-2014	Transfer	At the beginning of the year	160000	0.51	160000	0.51
	l anaja sanaan iyo	31-Mar-2015		At the end of the year	10000	0.03	170000	0.55
9	Motilal Oswal Most			At the beginning of year	0	0.00	0	0.00
	Focused Midcap 30	16-Jan-2015			67946	0.22	67946	0.22
	Fund	23-Jan-2015			20000	0.06	87946	0.28
		30-Jan-2015	Transfer	Increase	39460	0.13	127406	0.41
		13-Feb-2015	+		35861	0.12	163267	0.52
		20-Feb-2015			4863	0.02	168130	0.54
		27-Feb-2015	Transfer	Increase	14200	0.05	182330	0.59
		6-Mar-2015	Transfer	Decrease	-25000	-0.08	157330	0.51
		20-Mar-2015	Transfer	Increase	5000	0.02	162330	0.52
		31-Mar-2015		At the end of the year	0	0.00	162330	0.52
10	Virginia Retirement			At the beginning of year	0	0.00	0	0.00
	System Managed		Transfer		33618	0.11	33618	0.11
	By Acadianasset	9-May-2014	Transfer		143	0.00	33761	0.11
	Management	16-May-2014			27467	0.09	61228	0.20
		25-Jul-2014	Transfer		94704	0.30	155932	0.50
		31-Mar-2015		At the end of the year	0	0.00	155932	0.50



#### v) Shareholding of Directors and Key Managerial Personnel:

Shareholding	at the beginning of the year	Shareholding at the end of the year				
No. of the Shares	% of total Shares of the company	No. of the Shares	% of total Shares of the company			
1100	0	1100	0			

Note: None of the Directors and KMP other than the Managing Director hold any shares in the Company

#### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loan	Unsecured	Deposits	Total
	excluding Deposits	Loans		Indebtedness
Indebtedness at the beginning of the financial year	NIL	NIL	NIL	NIL
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i + ii + iii)	NIL	NIL	NIL	NIL
Change in Indebtedness during the financial year	NIL	NIL	NIL	NIL
i) Addition	NIL	NIL	NIL	NIL
ii) Reduction	NIL	NIL	NIL	NIL
Net Change	NIL	NIL	NIL	NIL
Indebtedness at the end of the financial year	NIL	NIL	NIL	NIL
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i + ii + iii)	NIL	NIL	NIL	NIL

#### VI. REMUNERATION OF DIRECTORS AND KEY MANEGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-Time Directors and / or Manager:

(₹ in Lakhs)

SI.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
No.		Mr. Madhukar Dev (MD & CEO)	
1	Gross Salary	152.87	152.87
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961		
	b) Value of perquisites u/s 17(2) Income Tax Act, 1961		
	c) Profits in Lieu of Salary u/s 17(3) of the Income tax Act, 1961		
2	Stock Option	_	_
3	Sweat Equity	_	_
4	Commission		
	as % of profit	150.00	150.00
	others, specify		
5	Others, specify		
	Total (A)		302.87
	Ceiling as per Act		790.88

### B. Remuneration to other Directors:

₹ In Lakhs

SI.	Particulars of Remuneration			N	ame of the	Directors			Total
No.		Mr. P. G. Mankad	Mr. P. McGoldrick	Dr. R.	Mrs.	Mr. N. G. Subramaniam	Dr. G. Katragadda	Mr. S. Ramadorai	Amount
1	Independent Directors								
	Fee for attending Board / Committee Meetings	2.10	1.35	3.15	2.85	-	-	_	9.45
	Commission	25.00	16.00	36.00	39.00	_	_	_	116.00
	Others, Please Specify								
	Sub-Total (1)								125.45
2	Other Non-Executive Directors								
	Fee for attending Board / Committee Meetings	_	_	_	_	0.75	0.15	1.05	1.95
	Commission					11.00	2.00	24.00	37.00
	Others, Please Specify								
	Sub-Total (2)								38.95
	Total (1) + (2)								164.40
	Total Managerial Remuneration								153.00
	Overall Ceiling as per the Act								949.06

### C. Remuneration to KMP other than MD / Manager / WTD

₹ In Lakhs

SI. No.	Particulars of Remuneration	Mr. G. Vaidyanathan (Company Secretary)		MRS. Sudha Madhavan (CFO)*	Total
1	Gross Salary	26.69	26.15	45.28	98.12
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961				
	b) Value of perquisites u/s 17(2) Income Tax Act, 1961				
	c) Profits in Lieu of Salary u/s 17(3) of the Income tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	as % of profit				
	others, specify				
5	Others, specify				
Tota	I	26.69	26.15	45.28	98.12

<sup>\*</sup> Part of the year.

### VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES: COMPANY AND DIRECTORS: (NIL)



### SECRETARIAL AUDIT REPORT

### For the financial year ended 31st March, 2015

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

#### TO THE MEMBERS OF TATA ELXSI LIMITED

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Tata Elxsi Limited, (Hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Tata Elxsi Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit and as per the explanations given to me and the representations made by the Management, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 generally complied with the statutory provisions listed hereunder and also that the company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minutes' books, forms and returns filed and other records made available to me and maintained by Tata Elxsi Limited for the financial year ended on 31st March, 2015 according to the applicable provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulations) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act,1992("SEBI Act"):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insiders Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; and
- (vi) Other Laws as informed and certified by the management of the company which are specifically applicable to the company based on their sector/industry are:
  - (a) The Information Technology Act, 2000.
  - (b) Policy relating to the Software Technology Park of India and its regulations.
  - (c) The Indian Copyright Act, 1957.
  - (d) The Patents Act, 1970.
  - (e) The Trade Marks Act, 1999.
  - (f) The Shops and Establishment Act, 1953.
  - (g) The Water (Prevention and Control of Pollution) Act, 1974 and Rules thereunder.
  - (h) The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013.
  - (i) The Payment of Bonus Act, 1965.
  - (j) The Payment of Gratuity Act, 1972.
  - (k) The Employee Provisions Funds and Miscellaneous Provisions Act, 1952.
  - (I) The Contract Labour (Regulation and Abolition) Act, 1970.

I have also examined compliance with the applicable clauses of the following:

i. Secretarial Standards of The Institute of Company Secretaries of India with respect to Board and General meetings (yet to be specified under the act by the Institute).

### TATA ELXSI

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ii. The Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review and as per the explanation and clarifications given to me and the representations made by the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

### I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provision of the Act.

Adequate notice was given to all Directors at least seven days in advance to schedule the Board Meetings. Agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions at the Board meeting and committee meeting are carried out unanimously.

I further report that as per the explanations given to me and the representations made by the Management and relied upon by me there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Jayashree Parthasarathy Practicing Company Secretary FCS No 4610; CP NO. 1988

Place: Bengaluru Date: April 28, 2015

Note: This report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of

this report.

### **ANNEXURE: A**

### TO THE MEMBERS OF TATA ELXSI LIMITED

My report of even date is to be read along with this letter.

- 1. Maintenance of Secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on their secretarial records based on my Audit.
- 2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The Verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices followed provide a reasonable basis for my opinion.
- 3. The correctness and appropriateness of the financial records and Books of accounts of the company have not been verified.
- 4. Wherever required, I have obtained the Management representation about the compliances of laws, Rules, Regulations and happening of events etc.
- 5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination is limited to verification of procedure on random test basis.
- 6. The Secretarial Audit is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Jayashree Parthasarathy Practicing Company Secretary FCS No 4610; CP NO. 1988

Place: Bengaluru Date: April 28, 2015



### **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 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, Not-Independent. 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.

Seven Board Meetings were held during the year 2014-15 and the gap between two meetings did not exceed four months. The dates on which the Board Meetings held were 2nd April, 2014; 22nd April, 2014; 18th July, 2014; 29th October, 2014; 19th November, 2014; 21st January, 2015 and 26th March, 2015.

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/D		
		Meetings attended during 2014-15		Chairman/ Chairperson of the Board		Member of the Board	Member of the Committee
Mr. N.G. Subramaniam@ [DIN 07006215]	Not Independent/ Non-executive	3	NA	_	_	_	_
Mr. Madhukar Dev [DIN 00082103]	Not Independent/ Managing Director	7	Yes	_	-	_	-
Mr. P. G. Mankad [DIN 00005001]	Independent / Non-executive	7	Yes	1	1	8	9
Mr. P. McGoldrick^ [DIN 00407203]	Independent / Non-executive	6	Yes	_	-	-	-
Dr. R. Natarajan [DIN 00001638]	Independent / Non-executive	7	Yes	-	-	1	1
Mrs. Shyamala Gopinath [DIN 02362921]	Independent / Non-executive	7	Yes	3	2	4	2
Dr. Gopichand Katragadda@@ [DIN 02475721]	Not Independent/ Non-executive	1	NA	-	-	1	_
Mr. S. Ramadorai @@@ [DIN 000000002]	Not Independent/ Non-executive	3	Yes	6	2	7	5

- Only Audit and Stakeholders' Relationship Committees are considered.
- \*\* Excludes private/ foreign/ non-profit and companies with charitable objects.
- @ Mr. N.G. Subramaniam was appointed as an Additional Director and Chairman of the Company w.e.f. 1.11.2014. Mr. N.G. Subramaniam attended the board meeting held on 29.10.2014, as an invitee.
- @@ Dr. Gopichand Katragadda was appointed as an Additional Director on the Board of the Company w.e.f. 20.11.2014. Dr. Gopichand Katragadda participated the Board meeting held on 21.1.2015 through teleconference and was not considered for the purpose of quorum.
- ^ Mr. McGoldrick attended the Board meeting held on 27th April, 2014 through VC and was not considered for the purpose of quorum pursuant to Rule 5 of the Companies (Meetings of Board and its power) Rules, 2014.
- @@@ Mr. Ramadorai retired from the office of Directorship of the Company w.e.f. 6.10.2014 on attaining the age of 70 years as per the policy of the Company. The Committee positions and directorship of Mr. Ramadorai has been ascertained as per the records available with the Company as on date of his retirement.

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

<u>Performance evaluation of Board and Directors:</u> The Company has laid down a process for evaluation of the Board and Committee of Board, as also evaluation of the performance of each of the directors. During the year the evaluation was conducted and monitored by the Chairman, Nomination & Remuneration Committee (NRC) in consultation with the members of the committee. Each of the Directors were given a self-assessment Questionnaire, covering Degree of Fulfillment of their responsibilities, Board structure and Composition, responsibilities of Committee, effectiveness of Board process, information and functioning, Board culture and Dynamics, quality of relationship between the Board and Management etc. The Chairman, NRC on the basis of the Feedback received from each of the Directors had a one to one meeting with them. At the end, he briefed the Chairman of the Board on the outcome, which was in turn discussed in the Board meeting. The performance of the Independent Directors was also reviewed at the Board meeting.

Meeting of Independent Directors: A separate meeting of Independent Directors for the Financial Year 2014-15 as per Clause 49(II)(B)(6) of the Listing Agreement was held on 25th March, 2015, wherein the Independent Directors reviewed the performance of the Managing Director, Non-Independent directors and other matters.

<u>Familiarisation:</u> The Independent Directors immediately on appointment are issued a formal letter of Appointment covering their Rights, Roles; Committee Positions etc. The directors before their appointment are briefed about the Company by the Chairman and Managing Director individually. At each of the Business plan meeting, normally held in the month of March every year, the Directors are briefed on the different business units of the company, the industry as a whole and other details like customers, market etc., The Board has adopted a Governance guidelines, enumerating the rights and roles of the Directors. A copy of the same has been circulated to all the directors. The in-house magazine of the Company is also sent to the Directors periodically keeping them abreast with the recent happenings and developments (www.tataelxsi.com; http://www.tataelxsi.com/company/board-of-directors.html; http://www.tataelxsi.com/company/corporate-sustainability.html).

### 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:

- 1. 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;
- 2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- 3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- 4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of Clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgement by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Qualifications in the draft audit report.
- 5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- 6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;



- 7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- 8. Approval or any subsequent modification of transactions of the Company with related parties;
- 9. Scrutiny of inter-corporate loans and investments;
- 10. Valuation of undertakings or assets of the Company, wherever it is necessary;
- 11. Evaluation of internal financial controls and risk management systems;
- 12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 13. 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;
- 14. Discussion with internal auditors of any significant findings and follow up there on;
- 15. 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;
- 16. 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;
- 17. 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;
- 18. To review the functioning of the Whistle Blower mechanism;
- 19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate:
- 20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

### **Review of information by Audit Committee**

The Audit Committee reviews the following information:

- 1. Management discussion and analysis of financial condition and results of operations;
- 2. Statement of significant related party transactions (as defined by the Audit Committee) submitted by management;
- 3. Management letters/letters of internal control weaknesses issued by the statutory auditors;
- 4. Internal audit reports relating to internal control weaknesses; and
- 5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

The Audit Committee is also responsible for giving guidance and directions under the SEBI (Prohibition of Insider Trading) Regulations, 2015.

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.

Six Audit Committee Meetings were held during the year 2014-15. The dates on which the Audit Committee Meetings held were 22nd April, 2014; 17th July, 2014; 18th July, 2014; 29th October, 2014; 21st January, 2015 and 25th March, 2015.

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 2014-15
1	Mrs. Shyamala Gopinath, Chairperson	Independent / Non-executive	6
2	Dr. R. Natarajan	Independent / Non-executive	6
3	Mr. S. Ramadorai ^	Not-Independent / Non-executive	2
4	Mr. Patrick McGoldrick ^^	Independent / Non-executive	2

<sup>^</sup> During the year under review due to retirement of Mr. S. Ramadorai from the Board, Mr. Ramadorai ceased to be the member of the Audit Committee w.e.f., 6.10.2014.

### 4. Nomination and Remuneration Committee

The Remuneration Committee constituted in 1999 was rechristened as Nomination and Remuneration Committee (NRC) with effect from 22.04.2014 and the terms of reference of the Committee are:

- 1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- 2. Formulation of criteria for evaluation of Independent Directors and the Board;
- 3. Devising a policy on Board diversity;
- 4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- 5. The Nomination and Remuneration Committee is responsible for Board composition and succession related; Evaluation of every Director. To recommend remuneration policy for the directors, KMP and other employees of the Company.
- 6. To oversee familiarisation programme for Directors, Review of HR strategy, Philosophy and Practices and any other activities related to change as requested by the Board from time to time.

The Board has also adopted a charter for the Nomination and Remuneration Committee covering its Rights, roles and responsibilities.

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 2014-15.

Four Nomination and Remuneration Committee Meetings were held during the year 2014-15. The dates on which the Nomination and Remuneration Committee Meetings held were 22nd April, 2014; 29th October, 2014; 19th November, 2014 and 25th March, 2015.

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 2014-15
1	Dr. R. Natarajan, Chairman	Independent/Non-executive	4
2	Mrs. Shyamala Gopinath	Independent/Non-executive	4
3	Mr. S. Ramadorai @	Not Independent/Non-executive	1
4	Mr. N.G. Subramaniam @@	Not Independent/Non-executive	2

<sup>&</sup>lt;sup>®</sup> Mr. S. Ramadorai, ceased to be a member of the Committee w.e.f. 6.10.2014 due to his retirement from the Board.

<sup>^^</sup> Mr. Patrick McGoldrick was appointed as the Member of Audit Committee w.e.f. 1.11.2014.

<sup>&</sup>lt;sup>®®</sup> Mr. N. G. Subramaniam was appointed as a member of the Committee w.e.f. 1.11.2014.



Details of remuneration for the year ended 31st March, 2015.

### Non-executive Directors (NEDs):

SI. No.	Name of the Non-executive Director	Sitting Fees	Commission*
		₹	₹
1	Mr. S. Ramadorai	75,000	24,00,000
2	Mr. N.G. Subramaniam	75,000	11,00,000
3	Mr. P. G. Mankad	1,95,000	25,00,000
4	Mr. P. McGoldrick	1,35,000	16,00,000
5	Mrs. Shyamala Gopinath	2,85,000	39,00,000
6	Dr. R. Natarajan	3,00,000	36,00,000
7	Dr. Gopichand Katragadda	15,000	2,00,000

### **Managing Director:**

Name	Salary ₹	Commission* ₹	Contribution to Provident & other Funds	Other Allowances & Perquisites	Total ₹
			₹	₹	
Mr. Madhukar Dev	56,71,872	1,50,00,000	922,422	86,92,612	3,02,86,906

<sup>\*</sup> 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 months notice or the Company paying six months salary in lieu thereof.

The Board on the recommendation of the Nomination & Remuneration Committee adopted the Remuneration policy for Directors, Key Managerial Personnel (KMP) and other employees of the company. The Board has also adopted a policy on Board diversity.

### 5. Stakeholders' Relationship Committee

Investor grievance Committee constituted in 2001 was rechristened as Stakeholders' Relationship Committee w.e.f. 22.4.2014.

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

- To look into the Redressal of grievances of shareholders, debenture holders and other security holders;
- To expedite the process of share transfers;
- To look into the complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends.

Three Stakeholders' Relationship Committee Meetings were held during the year 2014-15. The dates on which the Stakeholders' Relationship Committee Meetings held were 22nd April, 2014; 29th October, 2014 and 21st January, 2015.

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 2014-15
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 Bengaluru – 560 048.

Phone : +91-80-22979316 Fax : +91-80-28411474

E-mail: gvnathan@tataelxsi.co.in

Details of complaints received and redressed during 2014-15:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
3	16	19	0

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 litigations are involved. The following persons can also be contacted in case of investor grievances:

- a. Mr. Imran (e-mail: investors@tataelxsi.com); Phone: +91-080-2297-9166; Fax: +91-080-28411474.
- b. TSR Darashaw Ltd. (e-mail: csg-unit@tsrdarashaw.com); Phone: +91-022-66568484; Fax: +91-022-66568494

### 6. Risk Management Committee

The Board has constituted a Risk Management Committee (RMC). The RMC is responsible to provide oversight in achieving the Company's Enterprise Risk Management (ERM) objectives. The ERM helps these objectives by creating a comprehensive approach to anticipate, identify, prioritize and manage material risks attached to the Company's operations.

The primary responsibility of the Committee is to ensure that sound policies, procedures and practices are in place for the enterprise-wide management of the Company's material risks and to report the results of the Committee's activities to the Company's Audit Committee and also to the Board. The terms of reference of the Committee are:

- 1. Provide ongoing guidance and support for the refinement of the overall risk management
- 2. Ensure that management understands and accepts its responsibility for identifying, assessing and managing risk.
- 3. Determine which enterprise risks are most significant.
- 4. Assign risk owners and approve action plans.
- 5. Approve company-wide Risk Assessment & Risk Profile.
- 6. Update the leadership team from time to time on the on-going ERM progress/changes.
- 7. Review & report to the Company's Audit Committee/Board.

One Risk Management Committee (RMC) meeting was held during the year 2014-15 on 26th March, 2015.

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 2014-15
1	Mr. P.G. Mankad, Chairman	Independent/Non-executive	1
2	Mr. Patrick McGoldrick	Independent/Non-executive	1
3	Mr. K. Ramaseshan	Company Executive (CFO)	1

The Company has set up an internal compliance management tool to periodically review compliance requirements under different statutes as applicable to the Company.

### 7. Corporate Social Responsibility (CSR) Committee

The Board has constituted Corporate Social Responsibility (CSR) Committee, with maximum members being Independent Directors, to recommend to the Board the CSR initiatives of the Company and also to monitor the implementation of the CSR initiatives.

Three Corporate Social Responsibility (CSR) Committee Meetings were held during the year 2014-15. The dates on which the Corporate Social Responsibility (CSR) Meetings held were 28th October, 2014, 21st January; 2015 and 28th April, 2015.



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 2014-15	
1	Mrs. Shyamala Gopinath, Chairperson	Independent/Non-executive	3	
2	Mr. P.G. Mankad,	Independent/Non-executive	3	
3	Mr. Madhukar Dev	Managing Director	3	

#### 8. Executive Committee

The Board has also constituted an Executive Committee. The terms of reference of Executive committee are to review the capital expenditure, Long-term strategy, long-term financial projections and cash flow.

### 9. General Body Meetings

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

SI. No.	AGM Particulars	Date	Venue	Time
1	25th AGM in respect of the year 2013-14	18th July, 2014	Devraj Urs Bhavan, (behind Dr. Ambedkar	12.30 p.m.
			Bhavan), 16D, Millers Tank Bed Area,	
			Vasanthnagar, Bengaluru - 560 052	
2	24th AGM in respect of the year 2012-13	e year 2012-13   23rd July, 2013   Devraj Urs Bhavan, (behind Dr. Ambedkar		12.30 p.m.
			Bhavan), 16D, Millers Tank Bed Area,	
			Vasanthnagar, Bengaluru - 560 052	
3	23rd AGM in respect of the year 2011-12	24th July, 2012	Devraj Urs Bhavan, (behind Dr. Ambedkar	12.30 p.m.
			Bhavan), 16D, Millers Tank Bed Area,	
			Vasanthnagar, Bengaluru - 560 052	

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.

No item of business, which required the members' approval through postal ballot, was transacted during 2014-15.

### 10. Disclosures

- There are no materially significant related party transactions during the year that have potential conflict with the interests of the Company at large;
- The Company has formulated a policy on Related Party Transactions and the same is available on company's website www.tataelxsi.com/ investors/ corporate governance/ policies.
- 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;
- Disclosure of accounting treatment: Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on 1st April, 2014, and has adjusted an amount of ₹ 1,329.56 lakhs (net of deferred tax of ₹ 684.63 lakhs) against the opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus. The depreciation expense in the Statement of Profit and Loss for the year is higher by ₹ 311.72 lakhs consequent to the change in the useful life of the assets.
- 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.

### 11. 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 Sanje vani (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, 2015 forms part of the Directors' Report and is given under the Section so captioned.

### 12. General Shareholders Information

Sl. No.	Salient Items of Interest	Particulars
i.	AGM Date, Time, and Venue	Friday, 24th July, 2015 at 12:30 pm at Devraj Urs Bhavan, (behind Dr. Ambedkar Bhavan), 16 D, Millers Tank Bed Area, Vasanthanagar, Bengaluru – 560 052
ii.	Financial Year	28th April, 2015 – Q4 & FY15 Results 24th July, 2015 – Q1 Results & AGM Oct, 2015 – Q2 Results Jan, 2016 – Q3 Results
iii.	Date of Book Closure	17th July, 2015 to 24th July, 2015 (both days inclusive)
iv.	Dividend Payment Date	On and after 24th July, 2015
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
vi.		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
vii.	Stock Code	Bombay Stock Exchange Ltd.: 500408 National Stock Exchange Ltd.: TATAELXSI
viii.	Registrar & Share transfer Agent	TSR Darashaw Limited, 6-10, Haji Moosa Patrawala Ind. Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai – 400 011
ix.	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.
х.	Dematerialisation of shares and liquidity	2,95,79,768 shares were held in dematerialised mode, as at 31st March, 2015. The Company's equity shares are actively traded on BSE and NSE.
xi.	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.
xii.	Development Centre Locations	<ul> <li>Your Company's software development centers are located at the following addresses:</li> <li>a. ITPB Road, Whitefield, Bengaluru – 560 048;</li> <li>b. Brigade Tech Park, Block-B, Unit – II, No. 134/2, 1st and 2nd Floor, Next to ITPB, ITPB Road, Whitefield, Bengaluru – 560 066;</li> <li>c. IITM Research Park, 4th Floor, Kanagam Road, Taramani, Chennai – 600 113;</li> <li>d. Giga Space IT Park, No. 201, 2nd Floor, Alpha – 1 Building, Viman Nagar, Pune – 411 014;</li> </ul>

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SI. No.	Salient Items of Interest	Particulars			
		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. LeelaInfopark, 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			
xiii.	Address for correspondence	ITPB Road, Whitefield, Bengaluru – 560 048			
xiv.	CIN	L85110KAI989PLC009968			

### Market Price Data: High/Low during each month of 2014-15 on the following exchanges:

Month	BSE			NSE			
	High	Low	Volume	High	Low	Vol	
			(No. of shares)			(No. of shares)	
April 2014	598.80	535.00	5097677	598.80	569.00	15980101	
May 2014	562.70	472.00	3264117	563.00	547.00	9763046	
June 2014	629.40	498.00	4925722	629.80	610.05	15602537	
July 2014	671.00	569.15	4649543	671.00	624.90	16848647	
August 2014	629.80	561.60	2187658	629.40	609.00	7302030	
September 2014	699.30	581.00	4238248	699.80	660.00	16492167	
October 2014	663.80	566.55	2450303	663.85	637.15	7730536	
November 2014	641.50	592.50	1317667	641.85	620.10	4342989	
December 2014	653.50	551.10	1294490	653.65	633.00	4879188	
January 2015	818.00	596.55	5271783	817.20	792.00	21380225	
February 2015	1125.00	750.95	5512763	1125.00	1037.40	20465754	
March 2015	1487.50	1040.00	5757549	1485.00	1375.00	20496072	

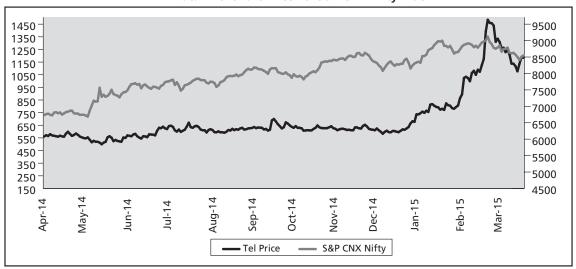
### Distribution of Shareholding as on 31st March, 2015

Range of Shares	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1 – 500	53,835	95.19	6,058,666	19.46
501 – 1000	1,442	2.55	1,148,269	3.69
1001- 2000	638	1.13	964,768	3.10
2001-3000	172	0.30	441,535	1.42
3001-4000	98	0.17	355,119	1.14
4001- 5000	85	0.15	399,797	1.28
5001- 10000	138	0.25	1,016,751	3.26
Over 10,000	145	0.26	20,753,315	66.65
Total	56,553	100.00	31,138,220	100.00

### Categories of Shareholding as on 31st March, 2015

Category	No. of Shareholders	No. of Shares held	% of Shareholding
Individuals	55248	11,436,788	36.74
Trusts	4	9,110	0.03
Companies	1236	2,121,710	6.81
Tata Group	4	13,997,288	44.95
Mutual Funds, FI's, FII's	60	3,572,224	11.47
Directors & Relatives	1	1,100	0.00
Total	56553	31,138,220	100.00

### 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 March 31, 2015, 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 implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on 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 of 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)

S. Ganesh Partner (Membership No. 204108)

Bengaluru, April 28, 2015



### **Independent Auditors' Report**

### TO THE MEMBERS OF TATA ELXSI LIMITED

### 1. Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of TATA ELXSI LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### 2. Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### 3. Auditor's Responsibility

- 3.1. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
- 3.2. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
- 3.3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.
- 3.4. 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
- 3.5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### 4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

### 5. Report on Other Legal and Regulatory Requirements

5.1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

- 5.2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (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 aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 23.1 to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

S. Ganesh
Partner
Membership No. 204108

Place: Bangalore Date: April 28, 2015

### **Annexure to the Independent Auditors' Report**

(Referred to in paragraph 5.1 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 and xi of the Order 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 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.
- (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 explanations 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 not granted any loans, secured or unsecured, to companies, firms or other parties listed in the Register maintained under Section 189 of the Companies Act, 2013.
- (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) According to the information and explanations given to us, the Company has not accepted any deposit during the year.
- (vii) According to the information and explanations given to us in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues including Provident fund, Employees' State Insurance dues, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, 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, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2015 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, Value Added Tax and Cess which have not been deposited as on March 31, 2015 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (₹ in lakhs)
Income Tax Act	Wealth Tax	Commissioner of Wealth 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
Finance Act	Service Tax	Customs Excise Service Tax Appellate Tribunal	Financial Years 2006-07, 2007-08 and 2008-09	522.58

- (d) The amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
- (viii) 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.

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.

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

S. Ganesh Partner Membership No. 204108

Place: Bangalore Date: April 28, 2015

### Balance Sheet as at 31 March, 2015

			₹ lakhs
	Note	As at	As at
FOURTY AND LIABILITIES		31 March, 2015	31 March, 2014
EQUITY AND LIABILITIES			
Shareholders' funds	3	2 442 02	2 112 02
Share capital	3 4	3,113.82	3,113.82
Reserves and surplus	4	25,221.28 28,335.10	20,367.73 23,481.55
Non-current liabilities		20,333.10	23,401.33
Deferred tax liabilities	24.7		684.00
Long-term provisions	5	1,076.48	511.29
Long-term provisions	3	1,076.48	1,195.29
Current liabilities		1,070.40	1,155.25
Trade payables	6	6,610.72	6,379.73
Other current liabilities	7	4,778.49	3,520.78
Short-term provisions	8	5,735.10	4,123.56
Short term provisions	5	17,124.31	14,024.07
Total		46,535.89	38,700.91
i o cai			
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	7,551.29	7,006.89
Intangible assets	9	2,297.50	2,676.20
Capital work-in progress		222.71	959.75
Intangible assets under development		35.92	302.41
		10,107.42	10,945.25
Non-current Investments	10	28.67	28.67
Deferred tax assets (net)	24.7	43.64	_
Long-term loans and advances	11	3,575.99	4,067.76
		13,755.72	15,041.68
Current assets			
Inventories	12	28.90	_
Trade receivables	13	15,408.17	15,557.74
Cash and cash equivalents	14	13,279.52	4,981.52
Short-term loans and advances	15	1,468.66	1,200.00
Other current assets	16	2,594.92	1,919.97
		32,780.17	23,659.23
Total		46,535.89	38,700.91
See the accompanying notes forming part of the fi	nancial statements 1 - 27		
In terms of our report attached	For and on behalf of the Boa	rd of Directors	
For Deloitte Haskins & Sells			
Chartered Accountants			
	N G Subramaniam		Chairman

**Shyamala Gopinath** 

Bengaluru, April 28, 2015

**Madhukar Dev** 

Ramaseshan K

**G** Vaidyanathan

Director

Managing Director

Company Secretary

Chief Financial Officer

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**S** Ganesh

Bengaluru, April 28, 2015

Partner



### Statement of Profit and Loss for the year ended 31 March, 2015

			₹ lakhs
	Note	Year ended 31 March, 2015	Year ended 31 March, 2014
REVENUE		5 : March, 2015	31 March, 2011
Revenue from operations	17	84,940.11	77,209.76
Other income	18	414.03	1,568.44
Total Revenue		85,354.14	78,778.20
EXPENSES			
Purchases	19	7,549.62	7,274.17
Changes in inventories - (Increase) / Decrease	20	(28.90)	31.22
Employee benefits expense	21	46,061.12	40,295.96
Finance costs - Interest expense on borrowings		0.25	182.68
Depreciation/ amortisation expense	9	2,553.77	3,498.66
Other expenses	22	13,620.57	15,996.97
Total Expenses		69,756.43	67,279.66
Profit before tax		15,597.71	11,498.54
Tax expense			
i) Current Tax		5,350.72	3,750.80
ii) Deferred tax		(43.00)	237.00
Total		5,307.72	3,987.80
Net Profit for the year		10,289.99	7,510.74
Earnings per equity share of ₹10/- each (Refer Note 24.6)			
Basic and Diluted		33.05	24.12

See the accompanying	notes forming p	part of the financia	statements 1	- 2	7

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

Chartered Accountants

**S Ganesh** Partner Bengaluru, April 28, 2015 For and on behalf of the Board of Directors

N G Subramaniam Shyamala Gopinath Madhukar Dev Ramaseshan K G Vaidyanathan Bengaluru, April 28, 2015 Chairman Director Managing Director Chief Financial Officer Company Secretary

### Cash Flow Statement for the year ended 31 March, 2015

	Year ended	₹ lakhs Year ended
	31 March, 2015	31 March, 2014
Cash flows from operating activities  Net Profit before tax	15,597.71	11,498.54
Adjustment for:		
Depreciation and amortisation	2,553.77	3,498.66
Interest income	(539.90)	(27.19)
Dividend received from subsidiary	(76.77)	(381.24)
Finance costs	0.25	182.68
Liabilities/Provision no longer required, written back	(206.17)	(80.02)
Bad debts written off	-	578.63
Provision for doubtful debts/advances Loss/(Profit) on sale of assets	49.07 2.76	349.26
Unrealised exchange loss/(gains)	109.39	5.67 (51.85)
Operating profit before working capital changes	17,490.11	15,573.14
Changes in working capital:	17,430.11	13,373.14
Adjustments for (increase)/decrease in operating assets:		
Inventories	(28.90)	31.22
Trade receivables	155.08	(3,185.09)
Short-term loans and advances	(316.84)	(188.39)
Long-term loans and advances	(36.59)	43.33
Other current assets	(674.95)	(345.87)
Adjustments for increase/(decrease) in operating liabilities:	(67.1152)	(5.5.5.)
Trade payables	297.24	1,535.42
Other current liabilities	1,128.92	585.06
Short-term provisions	109.50	259.20
Long-term provisions	130.90	26.57
Cash generated from operations	18,254.47	14,334.59
Net Income tax paid	(3,914.97)_	(1,720.34
Net cash flow from/(used in) operating activities	14,339.50	12,614.25
Cash flows from investing activities	<b></b>	<i>(</i>
Capital Expenditure on of fixed assets/ capital advances	(3,307.17)	(2,403.61)
Proceeds from sale of fixed assets	18.48	5.93
Dividend received from subsidiary	76.77	381.24
Interest received	539.90	27.19
Net cash flow from/(used in) investing activities Cash flows from financing activities	(2,672.02)	(1,989.25
Short-term borrowings availed/ (re-paid) (net)		(5,850.65
Interest paid	(0.25)	(182.68
Dividend paid	(2,802.44)	(1,556.91
Tax on dividend paid	(411.48)	(264.60
Net cash flow from/(used in) financing activities	(3,214.17)	(7,854.84)
Net increase/(decrease) in cash and cash equivalents	8,453.31	2,770.16
Cash and cash equivalents as at beginning of the year	4,728.50	1,794.56
Exchange gain/(loss) on restatement of foreign currency cash and cash equivalents	(182.05)	163.78
Cash and cash equivalents as at end of the year	12,999.76	4,728.50
Reconciliation of cash and cash equivalents with the Balance Sheet:	<del></del>	
Cash and bank balances as per Balance Sheet (Refer Note 14)	13,279.52	4,981.52
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	(279.76)	(253.02)
Cash and cash equivalents at the end of the year*	12,999.76	4,728.50
*comprises:		
(a) Cash on hand	1.38	0.97
(b) Funds-in-transit	<del>_</del>	547.17
(c) Cheques on hand	16.98	81.00
(d) Balances with banks		
i) in current accounts	1,956.10	2,872.4
ii) in EEFC accounts	925.30	726.96
iii) in deposit accounts	10,100.00	500.00
e earmarked account balances with banks can be utilised only for the specific identified purposes.	12,999.76	4,728.50

In terms of our report attached For **Deloitte Haskins & Sells** Chartered Accountants For and on behalf of the Board of Directors

**S Ganesh** Partner Bengaluru, April 28, 2015 Shyamala Gopinath Madhukar Dev Ramaseshan K G Vaidyanathan Bengaluru, April 28, 2015

N G Subramaniam

Chairman Director Managing Director Chief Financial Officer Company Secretary



### 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 Bengaluru, and operates through delivery centers in Bengaluru, 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, Ireland 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 specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 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 realisable value. Cost is determined on the basis of specific identification method.

Computer systems and software, components and spares intended for customer support are written off over the effective life of the systems maintained, as estimated by the management.

### 2.4 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

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Air Conditioners - 6 years Plant and Machinery - 6 years Furniture and Fixtures - 6 years Electrical Equipments - 6 years

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 period is revised to reflect the changed pattern, if any.

### 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 recognised upon rendering of the services. Income from maintenance contracts relating to the year is recognised 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. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made.

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 over the lease term.

### 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 applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable 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 are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets



are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. 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 following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

(a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

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 (other than a revalued 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, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

#### 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.

3 SHARE CAPITAL Authorised:			As at 31 March, 2015	₹ lakhs As at 31 March, 2014
35,000,000 equity shares of ₹ 10/- each wi	th voting rights		3,500.00	3,500.00
31,165,620 equity shares of ₹ 10/- each wi Subscribed and fully paid up:	th voting rights		3,116.56	3,116.56
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
Reconciliation of the number of shares and am Equity shares with voting rights Year ended 31 March, 2015	ount outstandin	g at the beginning ar	nd at the end of th Opening Balance	e reporting year: Closing Balance
- Number of shares - Amount in ₹ lakhs Year ended 31 March, 2014			31,138,220 3,113.82	31,138,220 3,113.82
- Number of shares - Amount in ₹ lakhs			31,138,220 3,113.82	31,138,220 3,113.82
Details of shares held by each shareholder hold			A 24 A	
Class of shares/Name of share holder	As at 31 I Number of shares held	March, 2015 % of holding in that class of shares	As at 31 N Number of shares held	arch, 2014 % of holding in that class of shares
<b>Equity shares with voting rights</b> Tata Sons Limited	13,147,632	42.22%	13,147,632	42.22%

The Company has only one class of Equity Share, having a par value of ₹10/-. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amount. However, as on date no such preferential amounts exist. The distribution will be in proportion to number of equity shares held by the shareholders.

		As at 31 March, 2015	As at 31 March, 2014
4	RESERVES AND SURPLUS		
	Capital reserve:		
	Subsidy received from Kerala State Government	25.00	25.00
	General reserve:		
	Opening balance 5,709	.82	4,909.82
	Add: Transferred from surplus in Statement of Profit and Loss 1,000	.00	800.00
		6,709.82	5,709.82
	Surplus in Statement of Profit and Loss		
	Opening balance	14,632.91	11,136.09
	Less: Depreciation on transition to Schedule II of the	1,329.58	_
	Companies Act, 2013 on tangible fixed assets with nil	,	
	remaining useful life (Net of deferred tax) (Refer Note 23.8)		
	Add: Net Profit for the year	10,289.99	7,510.74
	Balance available for appropriation	23,593.32	18,646.83
	Less:	23,333.32	10,040.03
	- Dividend Proposed to be distributed to Equity Shareholders	3,425.20	2,802.44
		3,423.20	2,802.44
	at ₹11/- per share (previous year ₹9/- per share)	CO4 CC	411.40
	- Dividend tax	681.66	411.48
	- Transfer to general reserve	1,000.00	800.00
	Closing balance	18,486.46	14,632.91
	Total	25,221.28	20,367.73



						₹ lakhs
				As at		As at
			31	March, 2015	31	March, 2014
5		IG-TERM PROVISIONS				
	a)	Provision for employee benefits				
		Provision for compensated absences		559.54		428.64
	b)	Provision others				
		Provision for taxation	1,664.66		711.78	
		Advance tax	(1,147.72)		(629.13)	
				516.94		82.65
	Tota	al Company		1,076.48		511.29
6	TRA	DE PAYABLES				
	Trac	le payables				
	- Ac	ceptances		22.62		_
	- Ot	her than acceptances		6,588.10		6,379.73
	Tota	ıl .		6,610.72		6,379.73
7	OTL	IER CURRENT LIABILITIES				
,		ance from customers		1,620.46		973.82
		and dividend (Will be transferred to Investor Education		279.76		253.02
		Protection Fund when due)		273.70		255.02
	Une	arned revenue		804.78		759.14
	Oth	er Payables		30.11		25.05
		utory Remittances (Contributions to PF and ESIC, hholding Taxes, VAT, Service Tax, etc.)		1,179.74		1,042.82
		ables on purchase of fixed assets		606.22		298.00
	-	tuity (Refer Note 24.1.b)		257.42		168.93
	Tota	•		4,778.49		3,520.78
8	SHC	PRT-TERM PROVISIONS				
	a)	Provision for employee benefits				
		Provision for compensated absences		417.44		309.50
	b)	Provision others;				
		Provision for warranty (Refer Note 24.9)		31.04		29.48
		Provision for taxation	5,180.97		2,131.80	
		Less: Advance tax	(4,001.21)		(1,561.14)	
				1,179.76		570.66
		Provision for proposed equity dividend		3,425.20		2,802.44
		Provision for tax on proposed equity dividend - Net of		681.66		411.48
	Tota	tax paid on dividend received from subsidiary		5 725 10		/ 122 FE
	iota	II		5,735.10		4,123.56

9 FIXED ASSETS												₹ Lakhs
DESCRIPTION		GROSS	BLOCK			AC	CUMULATED	DEPRECIATIO	N		NET BL	.OCK
a. Tangible fixed Assets	As at 1 April, 2014		Disposals / Adjustment/ : Retirals	As at 31 March, 2015		expense for	losses recognised/ (reversed)			As at 31 March, 2015 3	As at 1 March, 2015 3	As at 11 March, 2014
Land - Freehold	49.06	-	-	49.06	_	-	-	-	-	-	49.06	49.06
Land - Leasehold	85.01	-	-	85.01	28.24	3.40	-	-	-	31.64	53.37	56.77
Buildings	2,159.36	2,187.36	-	4,346.72	590.84	72.12	-	-	-	662.96	3,683.76	1,568.52
Improvements to leasehold premises	322.96	14.30	-	337.26	143.75	35.00	-	-	-	178.75	158.51	179.21
Plant and machinery	13.20	48.19	-	61.39	8.47	3.02	_	-	1.65	13.14	48.25	4.73
Computer equipment	5,050.58	626.21	_	5,676.79	2,492.70	984.51	_	-	32.83	3,510.04	2,166.75	2,557.88
Furniture and fixtures	1,324.42	149.12	_	1,473.54	652.20	82.86	_	-	483.11	1,218.17	255.37	672.22
Office equipment	859.44	376.88	-	1,236.32	311.91	93.58	_	-	341.11	746.60	489.72	547.53
Electrical installations	1,397.24	277.96	-	1,675.20	584.76	75.00	-	-	723.11	1,382.87	292.33	812.48
Air Conditioners	833.78	243.16	-	1,076.94	313.61	46.96	-	-	430.54	791.11	285.83	520.17
Vehicles	56.56	63.89	38.31	82.14	18.24	10.77	_	17.07	1.86	13.80	68.34	38.32
TOTAL	12,151.61	3,987.07	38.31	16,100.37	5,144.72	1,407.22	-	17.07	2,014.21	8,549.08	7,551.29	7,006.89
Previous year	(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)
b. Intangible Assets												
i) Internally generated:												
Technical Know-how	1,942.41	320.80	_	2,263.21	1,411.75	397.20	80.96	-	-	1,889.91	373.30	530.66
ii) Acquired Intangibles:												
Computer Software	4,116.05	447.05	-	4,563.10	1,970.51	668.39	-	-	-	2,638.90	1,924.20	2,145.54
TOTAL	6,058.46	767.85	-	6,826.31	3,382.26	1,065.59	80.96	-	-	4,528.81	2,297.50	2,676.20
Previous year	(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)
GRAND TOTAL	18,210.07	4,754.92	38.31	22,926.68	8,526.98	2,472.81	80.96	17.07	2,014.21	13,077.89	9,848.79	9,683.09
Previous Year	(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)



					₹ lakhs
			As at		As at
		31	March, 2015	31	March, 2014
10	NON-CURRENT INVESTMENTS				
	A. Trade Investments:				
	Investment in Fully paid equity shares (Unquoted) of Tata Elxsi				
	(Singapore) Pte. Ltd a wholly owned subsidiary		28.67		28.67
	B. Other Non-Current Investments:				
	Investments in companies		_		_
	(Refer Note 25)		20.67		20.67
	Total		28.67		28.67
11	LONG-TERM LOANS AND ADVANCES				
	(Unsecured, considered good unless otherwise stated)				
	Capital Advances		63.71		199.71
	Deposits		1,206.69		1,171.61
	Tax deducted at source/Advance tax paid	9,599.49	-	8,924.88	•
	Provision for taxation	(7,325.84)		(6,428.62)	
			2,273.65		2,496.26
	Prepaid expenses		31.94		30.43
	MAT credit entitlement				
	Opening balance	169.75		1,788.75	
	Availed/(Utilised) during the year	(169.75)		(1,619.00)	
					169.75
	Total		3,575.99		4,067.76
12	INVENTORIES				
	(At lower of cost or net realisable value)				
	Components and spares - for trading		28.90		_
	Total		28.90		
12	TDADE DECENVARIES (LINSESLIDED)				
13	TRADE RECEIVABLES (UNSECURED)  a) Trade receivables outstanding for a period exceeding				
	six months from the date they were due for payment				
	Considered good		47.10		182.06
	Considered doubtful		101.13		52.06
	considered dodseral		148.23		234.12
	Less: Provision for doubtful trade receivables		101.13		52.06
			47.10		182.06
	b) Other Trade Receivables				
	Considered good		15,361.07		15,375.68
	Considered doubtful				297.20
			15,361.07		15,672.88
	Less: Provision for doubtful trade receivables				297.20
			15,361.07		15,375.68
	Total		15,408.17		15,557.74

		₹ lakhs
	As at	As at
	31 March, 2015	31 March, 2014
14 CASH AND CASH EQUIVALENTS		
<ul> <li>A. Cash and Cash Equivalents (as per AS 3 Cash Flow Statements)</li> </ul>		
Cash on hand	1.38	0.97
Cheques on hand	16.98	81.00
Funds-in-transit	-	547.17
Balances with banks		
i) in current accounts	1,956.10	2,872.40
ii) in EEFC accounts	925.30	726.96
iii) in deposit accounts	10,100.00	500.00
Total Cash and Cash Equivalents (as per AS 3 Cash Flow Statements) (A)	12,999.76	4,728.50
B. Other bank balances		
i) in earmarked accounts		
-Unpaid Dividends Account	279.76	253.02
Total - Other bank balances (B)	279.76	253.02
Total Cash and Cash Equivalents (A+B)	13,279.52	4,981.52
15 SHORT-TERM LOANS AND ADVANCES		
(Unsecured and considered good)		
a) Loans and advances to employees	256.09	179.12
b) Prepaid Expenses	772.51	623.71
c) Balances with Govt. Authorities:		
i) VAT credit receivable	19.20	40.89
ii) Service tax credit receivable	111.86	80.97
d) Advance to suppliers/vendors	289.61	199.19
e) Deposits	19.39	76.12
Total	1,468.66	1,200.00
16 OTHER CURRENT ASSETS		
Unbilled revenue	2,498,20	1,919.19
Claims Receivable	9.50	
Interest accrued but not due	87.22	0.78
Total	2,594.92	1,919.97



			₹ lakhs
		Year ended	Year ended
		31 March, 2015	31 March, 2014
17	REVENUE FROM OPERATIONS		
	Sale of traded goods	3,233.69	4,700.51
	Rendering of services	81,706.42	72,509.25
	Total	<u>84,940.11</u>	77,209.76
	(i) Sale of traded goods include sales of computers, networking and storage systems.		
	(ii) Rendering of services comprises:	76 500 50	66 427 07
	(a) Product Design	76,509.58	66,427.07
	(b) Graphics Animation and Gaming	1,675.50	1,843.15
	(c) System Integration and Support	3,521.34	4,239.03
		81,706.42	72,509.25
18	OTHER INCOME		
	Interest from banks on deposits	455.68	21.30
	Interest - Others	171.44	5.89
	Dividend income from long-term investment - Subsidiary	76.77	381.24
	Net gain or (loss) on foreign currency transactions and translation	(633.41)	983.61
	Other non-operating income:		
	a) Hire charges	4.81	4.56
	b) Liabilities/provision no longer required written back	206.17	80.02
	c) Miscellaneous Income	132.57	91.82
	Total	414.03	1,568.44
19	PURCHASES		
19	Purchase of traded goods - computers, networking and storage systems and components and parts	2,463.70	4,029.27
	Spares, consumables and others	5,085.92	3,244.90
	Total	7,549.62	7,274.17
20	CHANGES IN INVENTORIES		
	Inventories at the end of the year:		
	Stock-in-trade - Components and spares	28.90	_
	Inventories at the beginning of the year:		
	Stock-in-trade - Components and spares		31.22
	Net (increase)/decrease	(28.90)	31.22
21	EMPLOYEE BENEFITS EXPENSES		
-1	Salaries & wages	42,397.55	37,480.83
	Contribution to provident and other funds (Refer Note 24.1)	1,437.50	1,006.43
	Staff welfare expenses	2,226.07	1,808.70
	Total	46,061.12	40,295.96

					₹ lakhs
		,	Year ended		Year ended
		31 N	/larch, 2015	31	March, 2014
22	OTHER EXPENSES				
	Operating lease rentals		1,401.46		1,407.80
	Rates and taxes		63.97		78.45
	Power and fuel		820.21		769.43
	Repairs and maintenance : Building		207.05		241.55
	: Plant and machinery		315.38		248.22
	: Others		318.53		280.46
	Communication expenses		907.04		742.96
	Inland travel and conveyance		1,139.36		1,192.72
	Overseas travel		3,643.01		3,388.87
	Advertisement and sales promotion expenses		463.97		440.92
	Commission on sales		146.43		185.02
	Hire charges		22.13		17.10
	Printing and stationery		60.93		67.86
	Motor vehicle expenses		329.99		297.22
	Recruitment		169.06		79.76
	Training		68.15		65.19
	Consultant fees for software development		2,553.12		4,351.84
	Expenditure on Corporate Social Responsibility		105.23		_
	Legal and professional charges		381.14		668.63
	Secretarial charges		12.30		13.10
	Insurance		91.34		97.62
	Loss on sale of assets (net)		2.76		5.67
	Bank and other charges		66.04		72.51
	Commission to non-executive directors		153.00		97.00
	Auditors' remuneration (Refer Note (i) below)		42.30		34.24
	Bad debts/advances written off (net of credit balances)	297.20		3,013.25	
	Less: Amount transferred from provision for doubtful debts	297.20	_	2,434.62	578.63
	Provision for doubtful debts/advances		49.07		349.26
	Provision/(Reversal) for warranty (net)		1.56		13.44
	General expenses		86.04		211.50
	Total		13,620.57		15,996.97
	Note (i): Payments to the auditors excluding service tax, comprises:		24.00		20.25
	As auditors - statutory audit		34.00		29.25
	Company law matters		1.00		0.75
	Other Services		3.30		2.30
	Reimbursement of expenses		4.00		1.94
	Total		42.30		34.24



			As at 31 March, 2015	₹ lakhs As at 31 March, 2014
23.1	Con	tingent liabilities and commitments (to the extent not provided for)		
	(i)	Contingent liabilities		
		(a) Claims against the Company not acknowledged as debt		
		<ol> <li>Disputed demands for Income Tax aggregates.</li> </ol>	580.83	502.40
		2. Disputed demands for Wealth Tax aggregates.	25.89	25.89
		3. Service tax matters	842.26	842.26
		4. Bank Guarantees	766.16	865.07
		(b) Guarantees - Guarantees given to a Housing Finance Company for housing loans availed by employees during their employment with the company	37.06	51.85
	(ii)	Capital Commitments:		
	` ,	Estimated amount of contracts remaining to be executed on capital account and not provided for		
		Tangible fixed assets	184.73	780.00
		Intangible assets	61.94	314.99
23.2		losures required under Section 22 of the Micro, Small and Medium rprises Development Act, 2006  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	25.08	4.95
	(iv)	The amount of interest due and payable for the year	0.10	0.07
	(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.

### 23.3 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
		outstanding	balance
		As at	outstanding
		31 March, 2015	during the
			year
Tata Elxsi (Singapore)Pte. Ltd.	Subsidiary	28.67	28.67
Investments		(28.67)	(28.67)

Note: Figures in bracket relate to the previous year.

### 23.4 Details on derivatives instruments and unhedged foreign currency exposures

- I. The following derivative positions are open as at 31 March, 2015. 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, 2015 Nil Previous year (Nil)

(ii) Outstanding option contracts entered into by the Company as on 31 March, 2015

Currency	Amount	Buy/Sell	Remarks
USD	20.00 lakhs		₹ 1235.90 lakhs
	(10.00 lakhs)	Sell	(₹ 630.00 lakhs)
EUR	5.00 lakhs		₹ 386.50 lakhs
	(2.50 lakhs)	Sell	(₹ 212.20 lakhs)
GBP	15.00 lakhs		₹ 1451.25 lakhs
	(7.50 lakhs)	Sell	(₹ 765.00 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:

	0 til 101 11150 til 0 gill 01					
	As at 31 Marc	h, 2015	As at 31 March, 2014			
Rec	eivable	Receivable	Rec	eivable	Receivable	
in Forei	gn currency		in Forei	gn currency		
	lakhs	₹ lakhs		lakhs	₹ lakhs	
EUR	19.32	1,298.00	EUR	27.34	2,260.97	
GBP	61.99	5,731.98	GBP	59.07	5,893.29	
USD	51.28	3,205.24	USD	62.27	3,730.83	
JPY	1183.88	617.10	JPY	792.48	460.11	
ZAR	94.67	484.45	ZAR	76.37	431.49	
KRW	20.52	1.16	KRW	20.50	1.15	
CAD	Nil	Nil	CAD	0.63	34.07	

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

As at 31 March, 2015			As at 31 March, 2014			
Pa	yable		Pa	yable		
in Foreig	n currency	Payable	in Foreign currency		Payable	
	lakhs	₹ lakhs		lakhs	₹ lakhs	
EUR	0.69	46.20	EUR	3.03	250.87	
GBP	9.07	838.97	GBP	1.81	181.06	
USD	7.03	439.51	USD	12.70	761.08	
JPY	1.29	0.67	JPY	29.04	16.86	
MYR	Nil	Nil	MYR	0.22	4.07	
ZAR	0.03	0.15	ZAR	0.12	0.68	
CAD	0.05	2.49	CAD	Nil	Nil	



			₹lakhs
		For the year ended	For the year ended
		31 March, 2015	31 March, 2014
23.5	Value of imports calculated on CIF basis:		
	Computer systems, peripherals, software etc.	2,096.13	404.27
	Capital goods	619.53	757.02
	. 3	2,715.66	1,161.29
23.6	Expenditure in foreign currency:		
	Overseas Office expenses	19,582.37	20,955.49
	Foreign Travel	1,893.70	1,793.67
	Other expenditure	2,159.73	2,238.18
	·	23,635.80	24,987.34
23.7	Earnings in foreign currency:		
	Service Income	69,981.21	61,360.67
	Sales and Support	100.96	302.79
	Dividend	76.77	381.24
		70,158.94	62,044.70

23.8 During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 (the "Act") with effect from 1 April, 2014, the Company revised the estimated useful life of some of its assets to align with the Schedule II of the Act. The details of previously applied rates/useful life are as follows:

Asset	Previous depreciation rate/ useful life	Revised useful life based on SLM
Buildings	3.34% / ~30 years	30 years
Computers and Data Processing Equipment	16.21% / ~6 years	3 and 6 years
Plant and Machinery	5.38% / ~19years	6 years
Furniture and Fixtures	6.33% / ~15 years	6 years
Air Conditioners	4.76% / ~21 years	6 years
Electrical Equipments	4.76% / ~21 years	6 years
Vehicles	9.50% / ~10 years	8 years

In accordance with the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and has adjusted an amount of ₹ 1,329.58 lakhs (net of deferred tax of ₹ 684.63 lakhs) against the opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus.

The depreciation expense in the Statement of Profit and Loss for the year is higher by ₹ 311.72 lakhs consequent to the change in the useful life of the assets.

### 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 ₹ 697.13 lakhs (Year ended 31 March, 2014 ₹ 608.74 lakhs) for Provident Fund contributions and ₹ 360.38 lakhs (Year ended 31 March, 2014 ₹ 242.41 lakhs) for Superannuation Fund contributions, Employee state Insurance Scheme ₹3.86 lakhs (Year ended 31 March, 2014 ₹ 3.46 lakhs) in the Statement of Profit and Loss.Company makes foreign contribution towards ESIC ₹ 92.33 lakhs (Year ended 31 March, 2014 ₹ 60.08 lakhs) 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	
	31 March, 2015	31 March, 2014	
Components of employer expense			
Current service cost	136.86	140.03	
Interest cost	86.13	66.17	
Expected return on plan assets	(68.29)	(50.81)	
Curtailment cost/(credit)	_	_	
Settlement cost/(credit)	_	-	
Past service cost	_	-	
Actuarial losses/(gains)	225.29	(0.11)	
Total expense recognised in the Statement of Profit and Loss	379.99	155.28	
Actual contribution and benefit payments for year			
Actual benefit payments	76.56	47.24	
Actual contributions	291.50	229.48	
Net asset/(liability) recognised in the Balance Sheet			
Present value of defined benefit obligation	(1,310.17)	(953.90)	
Fair value of plan assets	1,052.75	784.97	
Funded status [Surplus/(Deficit)]	(257.42)	(168.93)	
Unrecognised past service costs	· _	· -	
Net asset/(liability) recognised in the Balance Sheet	(257.42)	(168.93)	
Change in defined benefit obligations (DBO) during the year			
Present value of DBO at beginning of the year	953.90	827.18	
Current service cost	136.86	140.03	
Interest cost	86.13	66.17	
Curtailment cost/(credit)	_	_	
Settlement cost/(credit)	_	_	
Plan amendments	_	_	
Acquisitions	_	_	
Actuarial (gains)/losses financial assumptions	86.61	_	
Actuarial (gains)/losses Experience	123.22	(32.24)	
Past service cost	_	_	
Benefits paid	(76.55)	(47.24)	
Present value of DBO at the end of the year	1310.17	953.90	
Change in fair value of assets during the year			
Plan assets at beginning of the year	784.97	584.05	
Acquisition adjustment	_	_	
Expected return on plan assets	68.29	50.81	
Actual company contributions	291.50	229.48	
Actuarial gain/(loss)	(15.46)	(32.13)	
Benefits paid	(76.55)	(47.24)	
Plan assets at the end of the year	1,052.75	784.97	
Actual return on plan assets	52.83	18.68	



Particulars	Year ended	Year ended	
	31 March, 2015	31 March, 2014	
	₹lakhs	₹lakhs	
Composition of the plan assets is as follows:			LIC- Mortality (1994-96)Table
Government bonds	42.31%	42.31%	21-30 years 10%
Debentures and Bonds	37.50%	37.50%	31-40 years 5%
Equity	4.69%	4.69%	41-50 years 3%
Others	15.50%	15.50%	51 & above 2%
Actuarial assumptions			
Discount rate	7.95%	9.03%	
Expected return on plan assets	7.95%	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	436.28	305.79	

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
	2014-15	2013-14	2012-13	2011- 12	2010- 2011
Gratuity					
Present value of DBO	(1310.17)	(953.90)	(827.18)	(664.89)	(552.64)
Fair value of plan assets	1052.75	784.97	584.05	445.49	278.64
Funded status [Surplus/(Deficit)]	(257.42)	(168.93)	(243.13)	(219.40)	(274.00)
Experience (gain)/loss adjustments on plan liabilities	123.22	(32.24)	59.76	42.82	(57.07)
Experience gain/(loss) adjustments on plan assets	(15.46)	(32.13)	3.57	32.54	(25.73)

	For the year ended	For the year ended
	31 March, 2015	31 March, 2014
Actuarial assumptions for long-term compensated absences		
Discount rate	7.95%	9.03%
Expected return on plan assets	7.95%	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, US, UK, Europe, and Others

			₹ lakhs	
Particulars	For the year ended 31 March, 2015			
	Business	segments	Total	
	System	Software		
	Integration &	Development		
	Support	& Services		
Revenue	6,755.03	78,185.08	84,940.11	
	(8,939.54)	(68,270.22)	(77,209.76)	
Segment result	593.86	17,633.19	18,227.05	
	(741.26)	(13,790.44)	(14,531.70)	
Unallocable expenses (net)			2,629.09	
		_	(2,850.48)	
Operating income			15,597.96	
			(11,681.22)	
Interest			0.25	
			(182.68)	
Profit before taxes		_	15,597.71	
			(11,498.54)	
Tax expense			5,307.72	
			(3,987.80)	
Net profit for the year		_	10,289.99	
			(7,510.74)	

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, 2015		
	Business s	segments	Total
	System	Software	
	Integration &	Development	
	Support	& Services	
Segment assets	1,803.22	20,685.09	22,488.31
	(2,963.92)	(19,963.69)	(22,927.61)
Unallocable assets			21,701.62
			(13,078.62)
Total assets		_	44,189.93
			(36,006.23)
Segment liabilities	1,588.73	3,838.18	5,426.91
-	(2,281.96)	(4,212.75)	(6,494.71)
Unallocable liabilities			11,077.18
			(7,516.93)
Total liabilities		_	16,504.09
			(14,011.64)
Other information		_	<u> </u>
Capital expenditure (unallocable)			4,754.92
			(3,279.35)
			(=,=:=:=;
Depreciation and amortisation	66.81	2.486.96	2,553.77
	(66.44)	(3,432.22)	(3,498.66)
Provision for doubtful debts	(00.1.)	(5) (52:22)	49.07
			(349.26)
Bad debts written off			(3.3.20)
Dad debts written on			(578.63)
			(3/6.03)

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

			₹ lakhs
Geographic Segment	Revenues	Segment assets	Capital expenditure
	for the year ended	as at	incurred during the year
	31 March, 2015	31 March, 2015	ended 31 March, 2015
India	16,685.78	30,583.18	4,726.99
	(15,733.90)	(22,031.70)	(3,267.49)
US	24,024.30	3,644.26	6.40
	(22,956.64)	(3,609.11)	(8.72)
Europe	41,557.72	8,595.49	17.82
•	(33,640.88)	(9,031.87)	(2.50)
Others	2,672.31	1,367.00	3.71
	(4,878.34)	(842.69)	(0.64)
Total	84,940.11	44,189.93	4,754.92
	(77,209,76)	(36,006,23)	(3,279,35)

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.
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, 2015 and balances outstanding as at 31 March, 2015:

				₹ lakhs
Particulars	Company with Significant Influence	Subsidiary	KMP	Total
Rendering of services	18.02	-		18.02
	-			_
Reimbursement of expenses		_		_
		(8.93)		(8.93)
Dividend paid	1183.29			1183.29
·	(657.38)			(657.38)
Dividend received		76.77		76.77
		(381.24)		(381.24)
Receiving of services - Brand fee and other Services	231.63	, ,		231.63
	(206.95)			(206.95)
Remuneration and commission			302.87	302.87
			(224.94)	(224.94)
Balances outstanding at the end of the year				
Trade receivables		_		_
				_
Trade payable	213.60		150.00	363.60
	(196.71)		(100.00)	(296.71)

Note: Figures in bracket relates to the previous year.



			₹ lakhs
	Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
24.5	Details of leasing arrangements	31 March, 2013	31 Waren, 2014
	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	132.51	267.49
	later than one year and not later than five years	260.71	329.72
	Lease payments recognised in the Statement of Profit and Loss	1,401.46	1,407.80
	Particulars	For the year ended	For the year ended
		31 March, 2015	31 March, 2014
24.6	Earnings per share		
	Basic	40 200 00	7 510 74
	Net profit/(loss) for the year attributable to the equity shareholders	10,289.99	7,510.74
	(₹ lakhs)	24 420 220	24 420 220
	Weighted average number of equity shares	31,138,220 10.00	31,138,220
	Par value per share (₹)		10.00
	Earnings per share - Basic and diluted (₹)	33.05	24.12
	B 0 1	A (24 NA   204E	A + 24 M   2044
247	Particulars	As at 31 March, 2015	As at 31 March, 2014
24.7	Comment to the determined in consideration with the conditional to		
	a) Current tax is determined in accordance with the applicable tax		
	rates and the provisions of the Income Tax Act, 1961 and other		
	applicable tax laws. Provision for tax includes ₹ 540.80 lakhs (31 March, 2014: ₹ 238.50 lakhs) in respect of overseas operations.		
	b) Deferred tax (liability)/asset		
	Tax effect of items constituting deferred tax liability		
	On difference between book balance and tax balance of fixed assets	(523.28)	(1,277.37)
	Tax effect of items constituting deferred tax liability	(523.28)	(1,277.37)
	Tax effect of items constituting deferred tax hability  Tax effect of items constituting deferred tax assets	(323.20)	(1,277.37)
	Disallowances under Section 40(a)(i), 43B of the Income Tax		
	Act, 1961, etc.		
	/ teg 1501, etc.	(479.64)	593.37
	Tax effect of items constituting deferred tax assets	(479.64)	593.37
	Net deferred tax (liability)/asset	43.64	(684.00)
	<b>y</b> ,		(00.1100)
	Particulars	For the year ended	For the year ended
		31 March, 2015	31 March, 2014
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	17.40	217.20
	b) Other expenses	5.80	72.40
		23.20	289.60

# 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, 2014	Additions	Utilisation	Reversal	As at 31 March, 2015
				(withdrawn as no	
				longer required)	
Provision for warranty	29.48	110.02	_	108.46	31.04
	(16.04)	(84.32)	(-)	(70.88)	(29.48)

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

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

		₹ lakns
Particulars	As at	As at
	31 March, 2015	31 March, 2014
Provision for warranty	31.04	29.48

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/	Face Value of shares	
	Transferred	(₹)	
Big V Telecom Private Ltd.	22,250	10	
Sismatik Solutions Private Limited	1,000	10	
Street Smart Mobile Technologies Private Limited	2,000	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.

- The schedule III to the Companies Act, 2013 has become effective from 01 April, 2014 for the preparation of financial statements and accordingly, disclosure and presentation have been made in the financial statements.
- 27 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

N G Subramaniam Shyamala Gopinath Madhukar Dev Ramaseshan K G Vaidyanathan

Director Managing Director Chief Financial Officer Company Secretary

Chairman

Bengaluru, April 28, 2015



# **Independent Auditors' Report**

## TO THE BOARD OF DIRECTORS OF TATA ELXSI LIMITED

# 1. 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, 2015, 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.

# 2. 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.

### 3. Auditors' Responsibility

- 3.1. 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.
- 3.2. 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 judgement, 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.
- 3.3. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## 4. 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, 2015;
- (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

S. Ganesh Partner Membership No. 204108

Place: Bangalore Date: April 28, 2015

# Consolidated Balance Sheet as at 31 March, 2015

	Note	As at	₹ lakhs As at
		31 March, 2015	31 March, 2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	3,113.82	3,113.82
Reserves and surplus	4	25,228.93	20,457.27
		28,342.75	23,571.09
Non-current liabilities			
Deferred tax liabilities (Net)	24.7	_	684.00
Long-term provisions	5	1,076.48	511.29
		1,076.48	1,195.29
Current liabilities			
Trade payables	6	6,615.13	6,422.42
Other current liabilities	7	4,778.50	3,520.78
Short-term provisions	8	5,740.51	4,132.39
		17,134.14	14,075.59
Total		46,553.37	38,841.97
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	7,551.29	7,006.89
Intangible assets	9	2,297.50	2,676.20
Capital work-in-progress		222.71	959.75
Intangible assets under development		35.92	302.41
		10,107.42	10,945.25
Non-current Investments	10	_	_
Deferred tax assets (Net)	24.7	43.64	_
Long-term loans and advances	11	3,576.00	4,067.76
		13,727.06	15,013.01
Current assets			
Inventories	12	28.90	_
Trade receivables	13	15,408.17	15,561.11
Cash and cash equivalents	14	13,325.66	5,145.95
Short-term loans and advances	15	1,468.66	1,201.93
Other current assets	16	2,594.92	1,919.97
		32,826.31	23,828.96
Total		46,553.37	38,841.97
See the accompanying notes forming part of the consolidated financial st	atements 1 - 27		

For Deloitte Haskins & Sells

Chartered Accountants

N G Subramaniam **Shyamala Gopinath** Madhukar Dev Ramaseshan K **G** Vaidyanathan Bengaluru, April 28, 2015

Chairman Director Managing Director Chief Financial Officer Company Secretary

Partner

**S** Ganesh

Bengaluru, April 28, 2015



# Consolidated Statement of Profit and Loss for the year ended 31 March, 2015

	Note	Year ended	₹ lakhs Year ended
REVENUE		31 March, 2015	31 March, 2014
Revenue from operations	17	84,940.11	77,478.57
Other income	18	334.56	1,254.33
Total Revenue	10	85,274.67	78,732.90
lotal Revenue			
EXPENSES			
Purchases	19	7,549.62	7,493.71
Changes in inventories - (Increase)/Decrease	20	(28.90)	31.22
Employee benefits expense	21	46,061.12	40,295.96
Finance costs - Interest expense on borrowings		0.25	182.68
Depreciation/amortisation expense	9	2,553.77	3,498.66
Other expenses	22	13,626.59	16,012.07
Total Expenses		69,762.45	67,514.30
Profit before tax		15,512.22	11,218.60
Tax expense			
i) Current Tax		5,353.13	3,755.41
ii) Deferred tax		(43.00)	237.00
Total		5,310.13	3,992.41
Net Profit for the year		10,202.09	7,226.19
Earnings per equity share of ₹10/- each (Refer Note 24.6)			
Basic and Diluted		32.76	23.21
See the accompanying notes forming part of the consolidated financial statements	1 - 27		

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

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**S Ganesh**Partner
Bengaluru, April 28, 2015

For and on behalf of the Board of Directors

N G Subramaniam Shyamala Gopinath Madhukar Dev Ramaseshan K G Vaidyanathan Bengaluru, April 28, 2015 Chairman Director Managing Director Chief Financial Officer Company Secretary

# Consolidated Cash Flow Statement for the year ended 31 March, 2015

		Year ended	₹ lakhs Year ended
		31 March, 2015	31 March, 2014
Α.	Cash flows from operating activities Net Profit before tax	15,512.22	11,218.60
	Adjustment for:	2 552 77	2 400 66
	Depreciation and amortisation Interest income	2,553.77 (539.90)	3,498.66 (27.19)
	Finance costs	0.25	182.68
	Liabilities/Provision no longer required, written back	(206.17)	(151.81)
	Bad debts written off	(2001.7)	578.63
	Provision for doubtful debts/advances	49.07	349.26
	Loss/(Profit) on sale of assets	2.76	5.67
	Unrealised exchange loss/(gains)	109.39	(51.85)
	Operating profit before working capital changes	17,481.39	15,602.65
	Changes in working capital:		
	Adjustments for (increase)/decrease in operating assets:	(	
	Inventories	(28.90)	31.22
	Trade receivables	158.45	(2,562.70)
	Short-term loans and advances	(314.91) (36.59)	(176.42) 43.33
	Long-term loans and advances Other current assets	(674.95)	(345.87)
	Adjustments for increase/(decrease) in operating liabilities:	(074.93)	(545.07)
	Trade payables	264.97	1,343.73
	Other current liabilities	1,128.93	394.37
	Short-term provisions	109.50	259.20
	Long-term provisions	130.90	26.57
	Cash generated from operations	18,218.79	14,616.08
	Net Income tax paid	(3,920.81)	(1,737.17)
_	Net cash flow from/(used in) operating activities	14,297.98	12,878.91
В.	Cash flows from investing activities	(2.207.47)	(2.402.64)
	Capital Expenditure on of fixed assets/capital advances	(3,307.17)	(2,403.61)
	Proceeds from sale of fixed assets Interest received	18.48 539.90	5.93 27.19
	Net cash flow from/(used in) investing activities	(2,748.79)	(2,370.49)
C.	Cash flows from financing activities	(2,740.73)	(2,370.43)
С.	Short-term borrowings availed/(re-paid) (net)	_	(5,850.65)
	Interest paid	(0.25)	(182.68)
	Dividend paid	(2,802.44)	(1,556.91)
	Tax on dividend paid	(411.48)	(264.60)
	Net cash flow from/(used in) financing activities	(3,214.17)	(7,854.84)
	Net increase/(decrease) in cash and cash equivalents	8,335.02	2,653.58
	Cash and cash equivalents as at beginning of the year	4,892.93	2,075.57
	Exchange gain/(loss) on restatement of foreign currency cash and cash equivalents	(182.05)	163.78
	Cash and cash equivalents as at end of the year	13,045.90	4,892.93
	Reconciliation of cash and cash equivalents with the Balance Sheet:  Cash and cash equivalents as per Balance Sheet (Refer Note 14)	13,325.66	5,145.95
	Less: Bank balances not considered as Cash and cash equivalents	13,323.00	3,143.33
	as defined in AS 3 Cash Flow Statements		
	(i) In earmarked accounts (Refer Note (i) below)		
	- Unpaid dividends accounts	(279.76)	(253.02)
	Cash and cash equivalents at the end of the year*	13,045.90	4,892.93
	*Comprises:		
	(a) Cash on hand	1.38	0.97
	(b) Funds-in-transit	<del></del>	547.17
	(c) Cheques on hand	16.98	81.00
	(d) Balances with banks	2 002 24	2.026.62
	i) in current accounts	2,002.24	3,036.83
	ii) in EEFC accounts iii) in deposit accounts	925.30 10,100.00	726.96 500.00
	iii aeposit accounts	13,045.90	4,892.93
(i)	These earmarked account balances with banks can be utilised only for the specific identified purposes.	13,043.30	4,032.33
See	the accompanying notes forming part of the consolidated financial statements 1 - 27		

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

For and on behalf of the Board of Directors

S Ganesh

Bengaluru, April 28, 2015

N G Subramaniam Shyamala Gopinath Madhukar Dev Ramaseshan K G Vaidyanathan Bengaluru, April 28, 2015 Chairman Director Managing Director Chief Financial Officer Company Secretary



# 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 Bengaluru, and operates through delivery centers in Bengaluru, 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, Ireland 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 subsidiaries (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 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') and its subsidiary company. 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, 2015
- (ii) The financial statements of the Company and its subsidiary companies have been combined on a line-byline basis by adding together like items of assets, liabilities, income and expenses, after eliminating intragroup balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.
- (iii) Minority interest is not computed as it is a wholly owned subsidiary.
- (iv) Following subsidiary company has been considered in the preparation of the consolidated financial statements for the years ended March 31, 2015 and March 31, 2014 and following associate company has been considered in the preparation of consolidated financials statements for the year ended March 31, 2015:

Name of the Entity	Relationship	<b>Country of Incorporation</b>	on % of share holding	
Tata Elxsi (Singapore) Pte. Ltd.	Subsidiary	Singapore	100%	

### 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

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Air Conditioners - 6 years

Plant and Machinery - 6 years

Furniture and Fixtures - 6 years

Electrical Equipments - 6 years

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 recognised 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. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made.

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 over the lease term.

## 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 determined on the basis of taxable income and tax credits computed for each of the entities in the Group in accordance with the applicable tax rates and the provisions of applicable tax laws of the respective jurisdictions where the entities are located.

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 are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. 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 following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

(a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

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 (other than a revalued 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, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

# 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.



				21 Marc	As at	₹ lakhs As at 31 March, 2014
SHARE CAPITAL				3 i Warc	11, 2015	31 March, 2014
Authorised: 35,000,000 equity shares of ₹ 10/- each with the state of ₹ 10/- each with the stat	th voting rights	5		3	,500.00	3,500.00
Issued: 31,165,620 equity shares of ₹ 10/- each with	th voting rights	5		3	,116.56	3,116.56
Subscribed and fully paid up:					442.02	2 112 02
	h voting rights					3,113.82 3,113.82
Equity shares with voting rights	amount outsta	nding a	nt the begini	ning and at the	end of th	
- Number of shares						31,138,220
- Amount in ₹ lakhs				3	,113.82	3,113.82
Year ended 31 March, 2014				24.4	120 220	24 420 220
						31,138,220 3,113.82
	ling more than	5% sh	arec.	_	,	5,
ins of shares field by each shareholder hold				As	at 31 Ma	rch, 2014
	Number of shares held					% of holding in nat class of shares
	13,147,632		42.22%	13,147,6	32	42.22%
vote per share. In the event of liquidation of the remaining assets of the company, a	of the Company fter distributio	y, the h n of al	olders of th I preferenti	e equity shares al amount. Ho	will be e wever, as	entitled to receive s on date no such
				As at		As at
			3	1 March, 2015		31 March, 2014
RESERVES AND SURPLUS Capital reserve:						
General reserve:	Government		F 700 00	25.00	4 000 0	25.00
Opening balance Add: Transferred from surplus in Statem	ent of Profit and	Loss				
Foreign exchange translation reserve				6,709.82 92.02		5,709.82 86.01
Opening balance Less: Depreciation on transition to				14,636.44 1,329.58		11,424.17 –
remaining useful life (Net of deferred				10.202.09		7,226.19
Balance available for appropriation Less:				23,508.95		18,650.36
at ₹11/- per share (previous year ₹9/-		nolders		3,425.20		2,802.44
						411.48 800.00
Closing balance Total				18,402.09 25,228.93		14,636.44 20,457.27
	Authorised:  35,000,000 equity shares of ₹ 10/- each wirsused:  31,165,620 equity shares of ₹ 10/- each wirsubscribed and fully paid up:  31,138,220 equity shares of ₹ 10/-each witsubscribed and fully paid up:  31,138,220 equity shares of ₹ 10/-each witsubscribed and fully paid up:  Reconciliation of the number of shares and Equity shares with voting rights Year ended 31 March, 2015 - Number of shares - Amount in ₹ lakhs  Year ended 31 March, 2014 - Number of shares - Amount in ₹ lakhs  ills of shares held by each shareholder holds of shares/Name of share holder  ty shares with voting rights Sons Limited Company has only one class of Equity Shavote per share. In the event of liquidation of the remaining assets of the company, a gerential amounts exist. The distribution will  RESERVES AND SURPLUS Capital reserve:     Subsidy received from Kerala State of General reserve:     Opening balance     Add: Transferred from surplus in Statem Foreign exchange translation reserve Surplus in Statement of Profit and Loss     Opening balance     Less: Depreciation on transition to Companies Act, 2013 on tangible remaining useful life (Net of deferred Add: Net Profit for the year Balance available for appropriation Less:     Dividend Proposed to be distributed at ₹11/- per share (previous year ₹9/- Dividend tax     Transfer to general reserve Closing balance	Authorised:  35,000,000 equity shares of ₹ 10/- each with voting rights Issued:  31,165,620 equity shares of ₹ 10/- each with voting rights Subscribed and fully paid up:  31,138,220 equity shares of ₹ 10/- each with voting rights Total  Reconciliation of the number of shares and amount outsta Equity shares with voting rights Year ended 31 March, 2015 - Number of shares - Amount in ₹ lakhs  Year ended 31 March, 2014 - Number of shares - Amount in ₹ lakhs sils of shares held by each shareholder holding more than As at 31 Number of shares held ty shares with voting rights Sons Limited  Company has only one class of Equity Share, having a payote per share. In the event of liquidation of the Company of the remaining assets of the company, after distribution erential amounts exist. The distribution will be in proport  RESERVES AND SURPLUS Capital reserve:     Opening balance     Add: Transferred from surplus in Statement of Profit and Companies Act, 2013 on tangible fixed assets we remaining useful life (Net of deferred tax) (Refer Not Add: Net Profit for the year Balance available for appropriation Less:     Dividend Proposed to be distributed to Equity Sharel at ₹11/- per share (previous year ₹9/- per share)     Dividend tax     Transfer to general reserve Closing balance Closing balance	Authorised: 35,000,000 equity shares of ₹ 10/- each with voting rights Issued: 31,165,620 equity shares of ₹ 10/- each with voting rights Subscribed and fully paid up: 31,138,220 equity shares of ₹ 10/- each with voting rights Total  Reconciliation of the number of shares and amount outstanding a Equity shares with voting rights Year ended 31 March, 2015 - Number of shares - Amount in ₹ lakhs Year ended 31 March, 2014 - Number of shares - Amount in ₹ lakhs sils of shares held by each shareholder holding more than 5% sh As at 31 March, so of shares/Name of share holder Number of % shares with voting rights Sons Limited Company has only one class of Equity Share, having a par value vote per share. In the event of liquidation of the Company, the hof the remaining assets of the company, after distribution of alerential amounts exist. The distribution will be in proportion to referential amounts exist. The distribution will be in proportion to referential exerve:  Opening balance Add: Transferred from surplus in Statement of Profit and Loss  Foreign exchange translation reserve Surplus in Statement of Profit and Loss  Opening balance Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax) (Refer Note 23.4) Add: Net Profit for the year Balance available for appropriation Less:  - Dividend Proposed to be distributed to Equity Shareholders at ₹11/- per share (previous year ₹9/- per share) - Dividend tax - Transfer to general reserve Closing balance	Authorised:  35,000,000 equity shares of ₹ 10/- each with voting rights Issued:  31,165,620 equity shares of ₹ 10/- each with voting rights Subscribed and fully paid up:  31,138,220 equity shares of ₹ 10/-each with voting rights Total  Reconciliation of the number of shares and amount outstanding at the begint Equity shares with voting rights  Year ended 31 March, 2015  - Number of shares  - Amount in ₹ lakhs  Year ended 31 March, 2014  - Number of shares  - Amount in ₹ lakhs  Islis of shares held by each shareholder holding more than 5% shares:  As at 31 March, 2015  Number of % of holding in shares held that class of shares held that class of shares held that class of shares held shares held that class of shares held that class of shares held shares held that class of shares held that	SHARE CAPITAL Authorised:  35,000,000 equity shares of ₹ 10/- each with voting rights Issued:  31,163,620 equity shares of ₹ 10/- each with voting rights Subscribed and fully paid up: 31,138,220 equity shares of ₹ 10/- each with voting rights Total  Reconciliation of the number of shares and amount outstanding at the beginning and at the Equity shares with voting rights Vear ended 31 March, 2015 - Number of shares - Amount in ₹ lakhs  7 Year ended 31 March, 2014 - Number of shares - Amount in ₹ lakhs  8 of shares held by each shareholder holding more than 5% shares: - Amount in ₹ lakhs  8 of shares/Name of share holder - Number of shares - Amount in ₹ lakhs  8 of shares/Name of share holder - Number of shares - Amount in ₹ lakhs  8 of shares/Name of share holder - Number of shares - Amount in ₹ lakhs  8 of shares/Name of share holder - Number of shares - Amount in ₹ lakhs  8 of shares held by each shareholder holding more than 5% shares: - As at 31 March, 2015 - As Number of shares sheld by each shareholder holding more than 5% shares: - As at 31 March, 2015 - As of shares held by each shareholder holding more than 5% shares: - As at 31 March, 2015 - As Number of shares - Amount in ₹ lakhs - 3 31, 45,632 - Amount in ₹ lakhs - 3 31, 45,632 - Amount in ₹ lakhs - 3 31, 45,632 - Amount in ₹ lakhs - 3 31, 45,632 - Amount in ₹ lakhs - 3 31, 45,632 - Amount in ₹ lakhs - 3 31, 45,632 - Amount in ₹ lakhs - 3 31, 45,632 - Amount in ₹ lakhs - 3 31, 45,632 - Amount in ₹ lakhs - 3 31, 45,632 - Amount in ₹ lakhs - 3 31, 45,632 - Amount in ₹ lakhs - 3 31, 45,632 - Amount in ₹ lakhs - 3 31, 45,632 - Amount in ₹ lakhs - 3 31, 45,632 - Amount in ₹ lakhs - 3 31, 45,632 - Amount in ₹ lakhs - 3 31, 45,632 - Amount in ₹ lakhs - 3 31, 45,632 - Amount in ₹ lakhs - 3 31, 45,632 - Amount in ₹ lakhs - 3 31, 45,632 - Amount in ₹ lakhs - 3 31, 45,632 - Amount in ₹ lakhs - 3 31, 45,632 - Amount in ₹ lakhs - 3 31, 45,632 - Amount in ₹ lakhs - 3 31, 45,632 - Amount in ₹ lakhs - 3 31, 45,632 - Amount in ₹ lakhs - 3 31, 45,632 - Amount in ₹ la	SHARE CAPITAL  Authorised: 35,000,000 equity shares of ₹ 10/- each with voting rights Issued: 31,165,620 equity shares of ₹ 10/- each with voting rights Subscribed and fully paid up: 31,138,220 equity shares of ₹ 10/- each with voting rights Total 31,138,220 equity shares of ₹ 10/- each with voting rights Total 31,138,220 equity shares of ₹ 10/- each with voting rights Total 31,138,220 equity shares of ₹ 10/- each with voting rights Total 31,138,220 equity shares of ₹ 10/- each with voting rights Total 31,138,220 equity shares with voting rights 4 each ended 31 March, 2015 4 Number of shares 4 Amount in ₹ lakhs 31,138,220 4 Pear ended 31 March, 2014 4 Number of shares held by each shareholder holding more than 5% shares: 4 Amount in ₹ lakhs 3 of shares held by each shareholder holding more than 5% shares: 4 Amount in ₹ lakhs 3 of shares held by each shareholder holding more than 5% shares: 4 Amount in ₹ lakhs 5 of shares with voting rights 6 of shares with voting rights 7 of shares with voting rights 7 of shares with voting rights 8 of shares held by each shareholder holding more than 5% shares: 8 of shares held by each shareholder holding more than 5% shares: 9 of shares with voting rights 13,147,632 14,222% 13,147,632 14,223% 13,147,632 14,224% 13,147,632 14,225% 13,147,632 14,226% 13,147,632 14,226% 13,147,632 14,226% 13,147,632 15,77,9382 16,79,9382 16,79,9382 17,900,900 18,79,9382 18,900,900,900,900,900,900,900,900,900,90

5	LON a)	G-TERM PROVISIONS  Provision for employee benefits  Provision for compensated absences		As at 31 March, 2015 559.54		₹ lakhs As at 31 March, 2014
	b)	Provision others				
		Provision for taxation	1,664.66		711.78	
		Advance tax	(1,147.72)		(629.13)	
				516.94		82.65
	Tota	l .		1,076.48		511.29
6	TRA	DE PAYABLES				
	Trad	le payables				
	- Ac	ceptances		22.62		_
	- Otl	her than acceptances		6,592.51		6,422.42
	Tota	l .		6,615.13		6,422.42
7		IER CURRENT LIABILITIES				
		ance from customers		1,620.46		973.82
		aid dividend [Will be transferred to Investor Education		279.76		253.02
		Protection Fund when due]		004.70		750.14
		arned revenue		804.78 30.11		759.14 25.05
		er Payables				
		utory Remittances (Contributions to PF and ESIC, nholding Taxes, VAT, Service Tax, etc.)		1,179.75		1,042.82
	Paya	ables on purchase of fixed assets		606.22		298.00
		cuity (Refer Note 24.1.b)		257.42		168.93
	Tota	l		4,778.50		3,520.78
8	SHO	PRT-TERM PROVISIONS				
	a)	Provision for employee benefits				
		Provision for compensated absences		417.44		309.50
	b)	Provision others				
	~,	Provision for warranty (Refer Note 24.9)		31.04		29.48
		Provision for taxation	5,186.38		2,140.63	
		Less: Advance tax	(4,001.21)		(1,561.14)	
				1,185.17	<u></u>	579.49
		Provision for proposed equity dividend		3,425.20		2,802.44
		Provision for tax on proposed equity dividend - Net of		681.66		411.48
	Tota	tax paid on dividend received from subsidiary  I		5,740.51		4,132.39



(21,897.78) (3,279.35) (6,967.06)

Previous Year

**FIXED ASSETS** ₹ lakhs DESCRIPTION GROSS BLOCK ACCUMULATED DEPRECIATION NET BLOCK As at Additions Disposals/ As at As at Depreciation/ Impairment Eliminated Transition As at adjustment 31 March, 2015 31 March, 2015 31 March, 2014 1 April, 2014 Adjustment/ 31 Mar,ch 2015 1 April, 2014 Amortisation losses on disposal/ a. Tangible fixed Assets Retirals expense for recognised/ Retiral of recorded (reversed) in assets/ against Surplus Statement of Adjustment halance in **Profit and Loss** Statement of **Profit and Loss** Land - Freehold 49.06 49.06 49.06 49.06 Land - Leasehold 85.01 85.01 28.24 3.40 31.64 53.37 56.77 **Buildings** 4,346.72 590.84 72.12 662.96 2,159.36 2,187.36 3,683.76 1,568.52 Improvements to leasehold improvements 322.96 14.30 337.26 143.75 35.00 178.75 158.51 179.21 Plant and machinery 13.20 48.19 61.39 8.47 3.02 1.65 13.14 48.25 4.73 5,676.79 2.492.70 3,510.04 2,166.75 Computer equipment 5.050.58 626.21 984.51 32.83 2,557.88 **Furniture and fixtures** 1,324.42 149.12 1,473.54 652.20 82.86 483.11 1,218.17 255.37 672.22 Office equipment 1,236.32 746.60 489.72 859.44 376.88 311.91 93.58 341.11 547.53 **Electrical installations** 1,397.24 277.96 1,675.20 584.76 75.00 723.11 1,382.87 292.33 812.48 Air Conditioners 1.076.94 791.11 285.83 833.78 243.16 313.61 46.96 430.54 520.17 Vehicles 63.89 38.31 82.14 18.24 10.77 17.07 1.86 13.80 68.34 38.32 56.56 3,987.07 5,144.72 TOTAL 16,100.37 1,407.22 2,014.21 8,549.08 12,151.61 38.31 17.07 7,551.29 7,006.89 Previous year (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)b. Intangible Assets Internally generated: Technical Know-how 1,942.41 320.80 2,263.21 1,411.75 397.20 80.96 1,889.91 373.30 530.66 Acquired Intangibles: **Computer Software** 4,116.05 447.05 4,563.10 1,970.51 668.39 2,638.90 1,924.20 2,145.54 TOTAL 80.96 6,058.46 767.85 6,826.31 3,382.26 1,065.59 4,528.81 2,297.50 2,676.20 Previous year (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)**GRAND TOTAL** 18,210.07 4,754.92 38.31 22,926.68 8,526.98 2,472.81 80.96 17.07 2,014.21 13,077.89 9,848.79 9,683.09

(18,210.07) (11,983.78)

(2,915.82)

(582.84) (6,955.46)

(8,526.98)

(9,683.09)

(9,914.00)

10	NON-CURRENT INVESTMENTS	3	As at 1 March, 2015	31	₹ lakhs As at March, 2014
	Other Non-Current Investments: Investments in companies (Refer Note 26)		_		_
	Total				
11	LONG-TERM LOANS AND ADVANCES (Unsecured, considered good unless otherwise stated)				
	Capital Advances		63.71		199.71
	Deposits		1,206.69		1,171.61
	Tax deducted at source/Advance tax paid	9,599.49		8,924.88	
	Provision for taxation	(7,325.83)		(6,428.62)	
			2,273.66		2,496.26
	Prepaid expenses		31.94		30.43
	MAT credit entitlement	460.75		1 700 75	
	Opening balance Availed/(Utilised) during the year	169.75 (169.75)		1,788.75 (1,619.00)	
	Total	(109.73)		(1,019.00)	169.75
	lotai		3,576.00		4,067.76
			3,370.00		4,007.70
12	INVENTORIES				
	(At lower of cost or net realisable value)				
	Components and spares - for trading		28.90		_
	Total		28.90		_
13	TRADE RECEIVABLES (UNSECURED)				
	a) Trade receivables outstanding for a period exceeding				
	six months from the date they were due for payment				
	Considered good		47.10		185.43
	Considered doubtful		101.13		52.06
	Lacer Duranticians for alcordation towards are extracted		148.23		237.49
	Less: Provision for doubtful trade receivables		101.13		52.06
	b) Other Trade Receivables		47.10		185.43
	Considered good		15,361.07		15,375.68
	Considered good  Considered doubtful		15,501.07		297.20
	Considered doubtral		15,361.07		15,672.88
	Less: Provision for doubtful trade receivables		-		297.20
			15,361.07		15,375.68
	Total		15,408.17		15,561.11



			₹ lakhs
		As at	As at
		31 March, 2015	31 March, 2014
14	CASH AND CASH EQUIVALENTS		
	A. Cash and Cash Equivalents (as per AS 3 Cash Flow		
	Statements)		
	Cash on hand	1.38	0.97
	Cheques on hand	16.98	81.00
	Funds-in-transit	-	547.17
	Balances with banks		
	i) in current accounts	2,002.24	3,036.83
	ii) in EEFC accounts	925.30	726.96
	iii) in deposit accounts	10,100.00	500.00
	Total Cash and Cash Equivalents (as per AS 3 Cash Flow	13,045.90	4,892.93
	Statements) (A)		
	B. Other bank balances		
	i) in earmarked accounts		
	-Unpaid Dividends Account	279.76	253.02
	Total - Other bank balances (B)	279.76	253.02
	Total Cash and Cash Equivalents (A+B)	13,325.66	5,145.95
15	SHORT-TERM LOANS AND ADVANCES		
	(Unsecured and considered good)		
	a) Loans and advances to employees	256.09	179.12
	b) Prepaid Expenses	772.51	625.64
	c) Balances with Govt Authorities:		
	i) VAT credit receivable	19.20	40.89
	ii) Service tax credit receivable	111.86	80.97
	d) Advance to suppliers/vendors	289.61	199.19
	e) Deposits	19.39	76.12
	Total	1,468.66	1,201.93
16	OTHER CURRENT ASSETS		
	Unbilled revenue	2,498.20	1,919.19
	Claims Receivable	9.50	-
	Interest accrued but not due	87.22	0.78
	Total	2,594.92	1,919.97

			₹ lakhs
		Year ended	Year ended
		31 March, 2015	31 March, 2014
17	REVENUE FROM OPERATIONS		
	Sale of traded goods	3,233.69	4,969.32
	Rendering of services	81,706.42	72,509.25
	Total	84,940.11	77,478.57
	(i) Sale of traded goods include sales of computers, networking and storage systems.		
	(ii) Rendering of services comprises:		
	(a) Product Design	76,509.58	66,427.07
	(b) Graphics Animation and Gaming	1,675.50	1,843.15
	(c) System Integration and Support	3,521.34	4,239.03
		81,706.42	72,509.25
18	OTHER INCOME		
	Interest from banks on deposits	455.68	21.30
	Interest - Others	171.44	5.89
	Net gain or (loss) on foreign currency transactions and translation	(636.11)	978.95
	Other non-operating income:	,	
	a) Hire charges	4.81	4.56
	b) Liabilities/provision no longer required written back	206.17	151.81
	c) Miscellaneous Income	132.57	91.82
	Total	334.56	1,254.33
19	PURCHASES		
	Purchase of traded goods - computers, networking and storage systems and components and parts	2,463.70	4,248.81
	Spares, consumables and others	5,085.92	3,244.90
	Total	7,549.62	7,493.71
20	ADD/(LESS): (INCREASE)/DECREASE IN INVENTORIES Inventories at the end of the year:		
	Stock-in-trade	28.90	_
	Inventories at the beginning of the year:	20.50	
	Stock-in-trade	_	31.22
	Net (increase)/decrease	(28.90)	31.22
		(2333)	
21	EMPLOYEE BENEFITS EXPENSES		
	Salaries & wages	42,397.55	37,480.83
	Contribution to provident and other funds (Refer Note 24.1.a)	1,437.50	1,006.43
	Staff welfare expenses	2,226.07	1,808.70
	Total	46,061.12	40,295.96



					₹ lakhs
			Year ended		Year ended
		31	March, 2015	3	31 March, 2014
22	OTHER EXPENSES				
	Operating lease rentals		1,401.46		1,407.80
	Rates and taxes		63.97		78.45
	Power and fuel		820.21		769.43
	Repairs and maintenance : Building		207.05		241.55
	: Plant and machinery		315.38		248.22
	: Others		318.53		280.46
	Communication expenses		907.04		742.96
	Inland travel and conveyance		1,139.36		1,192.72
	Overseas travel		3,643.01		3,388.87
	Advertisement and sales promotion expenses		463.97		440.92
	Commission on sales		146.43		185.02
	Hire charges		22.13		17.10
	Printing and stationery		60.93		67.86
	Motor vehicle expenses		329.99		297.22
	Recruitment		169.06		79.76
	Training		68.15		65.19
	Consultant fees for software development		2,553.12		4,351.84
	Expenditure on Corporate Social Responsibility		105.23		_
	Legal and professional charges		386.47		675.17
	Secretarial charges		12.30		13.10
	Insurance		91.34		98.22
	Loss on sale of assets (net)		2.76		5.67
	Bank and other charges		66.73		80.49
	Exchange (Gain)/Loss (net)		-		_
	Commission to non-executive directors		153.00		97.00
	Auditors' remuneration (Refer Note (i) below)		42.30		34.24
	Bad debts/advances written off (net of credit balances)	297.20		3,013.25	
	Less: Amount transferred from provision for doubtful debts	297.20	_	2,434.62	578.63
	Provision for doubtful debts/ advances		49.07		349.26
	Provision/(Reversal) for warranty (net)		1.56		13.44
	General expenses		86.04		211.48
	Total		13,626.59		16,012.07
	Note (i): Payments to the auditors excluding service tax, comprises:				
	As auditors - statutory audit		34.00		29.25
	Company law matters		1.00		0.75
	Other Services		3.30		2.30
	Reimbursement of expenses		4.00		1.94
	Total		42.30		34.24

23.1	Contingent liabilities and commitments (to the extent not provided for)  (i) Contingent liabilities  (a) Claims against the Company not acknowledged as debt	As at 31 March, 2015	₹ lakhs As at 31 March, 2014
	Disputed demands for Income Tax aggregates.     Disputed demands for Wealth Tax aggregates.     Service tax matters     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	580.83 25.89 842.26 766.16 37.06	502.40 25.89 842.26 865.07 51.85
23.2	Capital Commitments: Estimated amount of contracts remaining to be executed on capital account and not provided for Tangible fixed assets Intangible assets	184.73 61.94	780.00 314.99

# 23.3 Details on derivatives instruments and unhedged foreign currency exposures

- I. The following derivative positions are open as at 31 March, 2015. 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, 2015 Nil, Previous year (Nil)

(ii) Outstanding option contracts entered into by the Company as on 31 March, 2015

Currency	Amount	Buy / Sell	Remarks
USD	20.00 lakhs		₹ 1,235.90 lakhs
	(10.00 lakhs)	Sell	(₹ 630.00 lakhs)
EUR	5.00 lakhs		₹ 386.50 lakhs
	(2.50 lakhs)	Sell	(₹ 212.20 lakhs)
GBP	15.00 lakhs		₹ 1,451.25 lakhs
	(7.50 lakhs)	Sell	(₹ 765.00 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:

are given	below.						
	As at 31 March, 2015			As at 31 March, 2014			
Rece	eivable	Receivable	Rece	ivable	Receivable		
in Foreig	ın currency		in Foreign currency				
	lakhs	₹ lakhs		lakhs	₹ lakhs		
EUR	19.32	1,298.00	EUR	27.34	2,260.97		
GBP	61.99	5,731.98	GBP	59.07	5,893.29		
USD	51.28	3,205.24	USD	62.32	3,880.76		
JPY	1183.88	617.10	JPY	792.48	460.11		
ZAR	94.67	484.45	ZAR	76.37	431.49		
KRW	20.52	1.16	KRW	20.50	1.15		
CAD	Nil	Nil	CAD	0.63	34.07		



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

As at 31 March, 2015			As at 31 March, 2014			
	in Foreign currency	Payable	in Foreig	in Foreign currency		
	lakhs	₹ lakhs		lakhs	₹ lakhs	
EUR	0.72	48.28	EUR	3.60	297.33	
GBP	9.07	838.97	GBP	1.81	181.06	
USD	7.05	441.12	USD	12.73	762.62	
JPY	1.29	0.67	JPY	29.04	16.86	
MYR	Nil	Nil	MYR	0.22	4.07	
ZAR	0.03	0.15	ZAR	0.12	0.68	
CAD	0.05	2.49	CAD	Nil	Nil	

23.4 During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II. The details of previously applied rates/useful life are as follows:

Asset	Previous depreciation rate / useful life	Revised useful life based on SLM
Buildings	3.34% / ~30 years	30 years
Computers and Data Processing Equipment	16.21% / ~6 years	3 and 6 years
Plant and Machinery	5.38% / ~19 years	6 years
Furniture and Fixtures	6.33% / ~15 years	6 years
Air Conditioners	4.76% / ~21 years	6 years
Electrical Equipments	4.76% / ~21 years	6 years
Vehicles	9.50% / ~10 years	8 years

In accordance with the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and has adjusted an amount of ₹ 1,329.58 lakhs (net of deferred tax of ₹ 684.63 lakhs) against the opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus.

The depreciation expense in the Statement of Profit and Loss for the year is higher by ₹ 311.72 lakhs consequent to the change in the useful life of the assets.

# 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 ₹ 697.13 lakhs (Year ended 31 March, 2014 ₹ 608.74 lakhs) for Provident Fund contributions and ₹ 360.38 lakhs (Year ended 31 March, 2014 ₹ 242.41 lakhs) for Superannuation Fund contributions, Employee state Insurance Scheme ₹3.86 lakhs (Year ended 31 March, 2014 ₹ 3.46 lakhs) in the Statement of Profit and Loss. Company makes foreign contribution towards ESIC ₹ 92.33 lakhs (Year ended 31st March, 2014 ₹ 60.08 lakhs) 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:

Particulars	Year ended	₹ lakhs Year ended
	31 March, 2015	31 March, 2014
	₹lakhs	₹lakhs
Components of employer expense		
Current service cost	136.86	140.03
Interest cost	86.13	66.17
Expected return on plan assets	(68.29)	(50.81)
Curtailment cost/(credit)	_	_
Settlement cost/(credit)	_	_
Past service cost	_	_
Actuarial losses/(gains)	225.29	(0.11)
Total expense recognised in the Statement of Profit and Loss	379.99	155.28
Actual contribution and benefit payments for year		
Actual benefit payments	76.56	47.24
Actual contributions	291.50	229.48
Net asset/(liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	(1,310.17)	(953.90)
Fair value of plan assets	1052.75	784.97
Funded status [Surplus/(Deficit)]	(257.42)	(168.93)
Unrecognised past service costs	(=====, =	_
Net asset / (liability) recognised in the Balance Sheet	(257.42)	(168.93)
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	953.90	827.18
Current service cost	136.86	140.03
Interest cost	86.13	66.17
Curtailment cost/(credit)	_	_
Settlement cost/(credit)	_	_
Plan amendments	_	_
Acquisitions	_	_
Actuarial (gains)/losses financial assumptions	86.61	
Actuarial (gains)/losses Experience	123.22	(32.24)
Past service cost		_
Benefits paid	(76.55)	(47.24)
Present value of DBO at the end of the year	1,310.17	953.90
Change in fair value of assets during the year		
Plan assets at beginning of the year	784.97	584.05
Acquisition adjustment	_	_
Expected return on plan assets	68.29	50.81
Actual company contributions	291.50	229.48
Actuarial gain/(loss)	(15.46)	(32.13)
Benefits paid	(76.55)	(47.24)
Plan assets at the end of the year	1,052.75	784.97
Actual return on plan assets	52.83	18.68



Particulars	Year ended 31 March, 2015	Year ended 31 March, 2014	
	₹ lakhs	₹ lakhs	
Composition of the plan assets is as follows:			LIC- Mortality (1994-96)Table
Government bonds	42.31%	42.31%	21-30 years 10%
Debentures and Bonds	37.50%	37.50%	31-40 years 5%
Equity	4.69%	4.69%	41-50 years 3%
Others	15.50%	15.50%	51 & above 2%
Actuarial assumptions			
Discount rate	7.95%	9.03%	
Expected return on plan assets	7.95%	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	436.28	305.79	

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
	2014-15	2013-14	2012-13	2011- 12	2010- 2011
Gratuity					
Present value of DBO	(1,310.17)	(953.90)	(827.18)	(664.89)	(552.64)
Fair value of plan assets	1,052.75	784.97	584.05	445.49	278.64
Funded status [Surplus/(Deficit)]	257.42	(168.93)	(243.13)	(219.40)	(274.00)
Experience (gain)/loss adjustments on plan liabilities	123.22	(32.24)	59.76	42.82	(57.07)
Experience gain/(loss) adjustments on plan assets	(15.46)	(32.13)	3.57	32.54	(25.73)

	For the year ended	For the year ended
	31 March, 2015	31 March, 2014
Actuarial assumptions for long-term compensated absences		
Discount rate	7.95%	9.03%
Expected return on plan assets	7.95%	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, 2015			
	Business s	Business segments		
	System Integration & Support	Software Development & Services		
Revenue	6,755.03	78,185.08	84,940.11	
	(9,208.35)	(68,270.22)	(77,478.57)	
Segment result	585.14	17,633.19	18,218.33	
	(842.56)	(13,790.44)	(14,633.00)	
Unallocable expenses (net)			2,705.86	
			(3,231.72)	
Operating income			15,512.47	
			(11,401.28)	
Interest			0.25	
		_	(182.68)	
Profit before taxes			15,512.22	
			(11,218.60)	
Tax expense			5,310.13	
		_	(3,992.41)	
Profit after taxes			10,202.09	
			(7,226.19)	
Net profit for the year			10,202.09	
			(7,226.19)	

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
rticulars For the year ended 3			
	Business s		Total
	System	Software	
	Integration &	Development	
	Support	& Services	
Segment assets	1,849.37	20,685.09	22,534.46
	(3,133.66)	(19,963.69)	(23,097.35)
Unallocable assets			21,701.62
			(13,078.62)
Total assets		_	44,236.08
			(36,175.97)
Segment liabilities	1,593.15	3,838.18	5,431.33
<b></b>	(2,324.65)	(4,212.75)	(6,537.40)
Unallocable liabilities	(2/32 1103)	(1,212.73)	11,077.18
onanocable habilities			(7,516.94)
Total liabilities			16,508.51
Total Habilities			(14,054.34)
Other information		_	(14,054.54)
			4.754.00
Capital expenditure (unallocable)			4,754.92
	44.04	2 404 04	(3,279.35)
Depreciation and amortisation.	66.81	2,486.96	2,553.77
	(66.44)	(3,432.22)	(3,498.66)
Provision for doubtful debts			49.07
			(349.26)
Bad debts written off			_
			(578.63)
Share of loss from an Associate Company			_

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

			₹ lakhs
Geographic Segment	Revenues	Segment assets	Capital expenditure
	For the year ended	as at	incurred during the year
	31 March, 2015	31 March, 2015	ended 31 March, 2015
India	16,685.78	30,629.34	4,726.99
	(16,002.71)	(22,201.44)	(3,267.49)
US	24,024.30	3,644.26	6.40
	(22,956.64)	(3,609.11)	(8.72)
Europe	41,557.72	8,595.49	17.82
-	(33,640.88)	(9,031.87)	(2.50)
Others	2,672.31	1,367.00	3.71
	(4,878.34)	(1,333.55)	(0.64)
Total	84,940.11	44,236.09	4,754.92
	(77,478.57)	(36,175.97)	(3,279.35)

Note: Figures in bracket relates 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, 2015 and balances outstanding as at 31 March, 2015: ₹ lakhs

Particulars	Company with Significant Influence	KMP	Total
Receiving of services - Brand fee and other Services	231.63		231.63
	(206.95)		(206.95)
Dividend paid	1,183.29		1,183.29
	(657.38)		(657.38)
Managerial remuneration and commission		302.87	302.87
		(224.94)	(224.94)
Balances outstanding at the end of the year			
Trade payable	213.60	150.00	363.60
	(196.71)	(100.00)	(296.71)

Note: Figures in bracket relates to the previous year

			₹ lakhs
	Particulars	For the year ended	For the year ended
		31 March, 2015	31 March, 2014
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	132.51	267.49
	later than one year and not later than five years	260.71	329.72
	Lease payments recognised in the Statement of Profit and Loss	1,401.46	1,407.80



P	Particulars	For the year ended	For the year ended
		31 March, 2015	31 March, 2014
	arnings per share		
_	Pasic Control of the		
	let profit/(loss) for the year attributable to the equity shareholders ₹lakhs)	10,202.09	7,226.19
V	Veighted average number of equity shares	31,138,220	31,138,22
Р	ar value per share (₹)	10.00	10.00
_E	arnings per share - Basic and diluted (₹)	32.76	23.2
_ P	Particulars	As at 31 March, 2015	As at 31 March, 2014
7			
а	Current tax is determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws. Provision for tax includes ₹540.80 lakhs (31 March, 2014: ₹ 238.50 lakhs) in respect of overseas operations.		
b	Deferred tax (liability)/asset		
	Tax effect of items constituting deferred tax liability		
	On difference between book balance and tax balance of fixed assets	(523.28)	(1,277.37
	Tax effect of items constituting deferred tax liability	(523.28)	(1,277.37
	Tax effect of items constituting deferred tax assets		
	Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961, etc.		
	, (4) 130 17 6461	566.92	593.3
	Tax effect of items constituting deferred tax assets	566.92	593.37
_	Net deferred tax (liability)/asset	43.64	(684.00
P	Particulars	For the year ended	For the year ended
_		31 March, 2015	31 March, 2014
e r	Details of research and development expenditure recognised as employee benefit expenses and other expenses in note 21 and 22 espectively are net of the following expenses that have been capitalised is part of intangible assets/intangible assets under development.		
а	) Employee benefit expenses	17.40	217.20
b	o) Other expenses	5.80	72.40
-	otal	23.20	289.60

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, 2014	Additions	Utilisation	Reversal (withdrawn as no longer required)	As at 31 March, 2015
Provision for warranty	29.48	110.02	_	108.46	31.04
	(16.04)	(84.32)	(–)	(70.88)	(29.48)

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, 2015 As at 31 March, 2014
Provision for warranty	<b>31.04</b> 29.48

Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the entity in the Consolidated financial Statement	Net assets, i.e., total a liabiliti		Share of profit or loss		
	As % of consolidated net assets	Amount ₹ lakhs	As % of consolidated profit or loss	Amount ₹ lakhs	
Parent					
Tata Elxsi Limited	99.87	28,306.43	100.11	10,213.23	
Foreign Subsidiary					
Tata Elxsi Singapore Pte Limited	0.13	36.32	(0.11)	(11.14)	

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/	Face Value of shares
	Transferred	(₹)
Big V Telecom Private Ltd.	22,250	10
Sismatik Solutions Private Limited	1,000	10
Street Smart Mobile Technologies Private Limited	2,000	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 recognised on its disposal.

27 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

N G Subramaniam
Shyamala Gopinath
Director
Madhukar Dev
Ramaseshan K
G Vaidyanathan
Chairman
Director
Managing Director
Chief Financial Officer
Company Secretary

Bengaluru, April 28, 2015



# Statement pursuant to Section 129(3) of the Companies Act, 2013

															₹ 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)	2014-15	62.50	28.67	(7.65)	-	46.14	46.14	-	-	-		(8.73)	2.41	(11.14)	76.77
Pte. Ltd., Singapore	2013-14	59.92	28.67	89.55	-	169.74	169.74	-	-	-	268.82	101.30	4.60	96.70	381.24

# 3 YEARS PROFIT AND LOSS ACCOUNT (Consolidated)

	31.03.2015	31.03.2014	31.03.2013
INCOME			
Sales and services	84940.11	77,478.57	62,167.12
Other Income	334.56	1,254.33	483.96
Total	85,274.67	78,732.90	62,651.08
EXPENDITURE			
Cost of sales	7520.72	7,524.93	5,945.36
Personnel expenses	46061.12	40,295.96	35,149.27
Administrative and selling expenses	13626.59	16,012.07	13,866.81
Financial expenses	0.25	182.68	390.76
Depreciation	2553.77	3,498.66	2,372.53
Total	69,762.45	67,514.30	57,724.73
Profit before Tax for the year & Exceptional items	15,512.22	11,218.60	4,926.35
Exceptional item			1,589.57
Profit before Tax for the year	15,512.22	11,218.60	3,336.78
Provision for Tax	(5310.13)	(3,992.41)	(1,099.41)
Profit after Tax	10,202.09	7,226.19	2,237.37
Share of loss from an Associate Company			106.55
Net Profit for the year	10,202.09	7,226.19	2,130.82

# **Significant Ratio Analysis**

5.9	carre Ratio Ariarysis				
S. No.	Particulars	Unit	31.03.2015	31.03.2014	31.03.2013
1	Earning before interest, depreciation and tax/Sales	%	21.19	18.92	12.27
2	Profit before taxes/Sales	%	18.19	14.25	5.33
3	Profit after taxes/Sales	%	11.96	9.18	3.57
4	Current Ratio	No. of Times	1.92	1.69	1.19
5	Debt Equity Ratio	%	_	-	29.98
6	Earning per share	Rs.	32.76	23.21	6.84
7	Dividend per share	Rs.	11.00	9.00	5.00
8	Book Value share	Rs.	91.02	75.70	62.68
9	Return on Net Worth	%	36.00	30.66	10.92
10	Return on Capital Employed	%	36.00	30.66	8.40

# TATA ELXSI

Twenty-Sixth Annual Report 2014 - 15

Notes	



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

# **PROXY FORM**

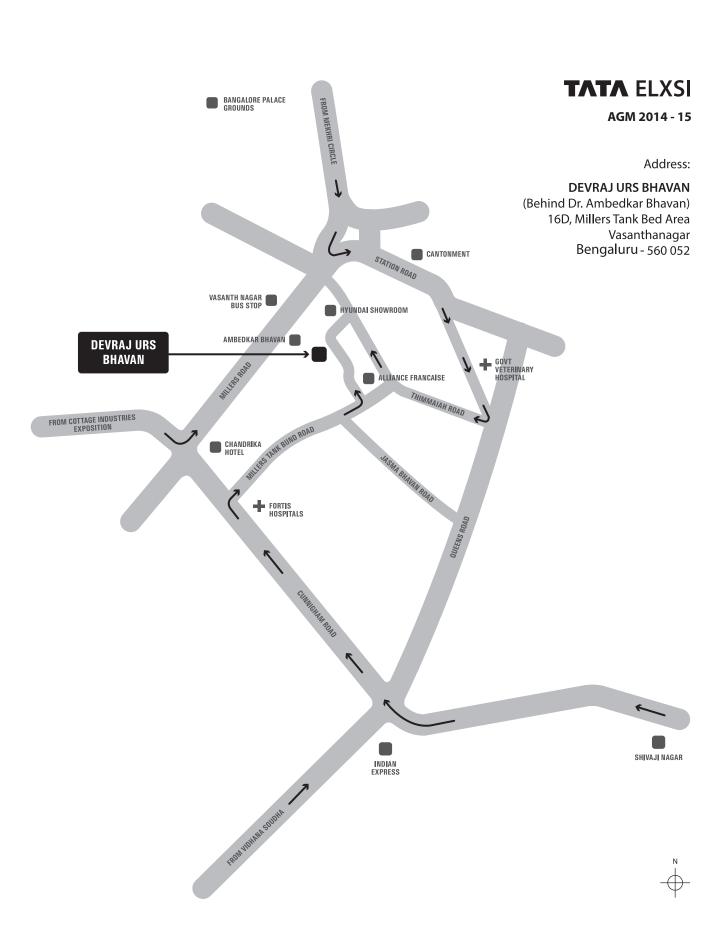
[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration), Rules, 2014]

			I			
Name of the m	nember(s):		E-mail Id:			
Registered add	dress:		Folio No./Client Id*:			
			DP Id*:			
*Applicable to s	shareholders holding shares in	electronic form				
		0	f		being	a Member(s)
Tata Elxsi Limite	ed, hereby appoint:					
1)	of	having e-mail i.d	or failing him			
2)	of	having e-mail i.d	or failing him			
poll) for me/us a	and on my/our behalf at the 26	oth Annual General Meeti	and whose signature(s) arn and whose signature(s) arn and of the Company, to be held at Devraj Urs at 12.30 PM and any adjournment thereof	Bhavan (behind Dr. Ambed	kar Bhavan)	16D, Millers Tank B
Resolution No	o. Resolution				FOR	AGAINST
1.	Adoption of financial statem	ents for the year ended 3	31st March, 2015 together with Directors' Re	port and Auditors' Report.		
2.	Declaration of dividend for t	he financial year 2014-15.				
3.	Ratification of the Reappoint	ment of Statutory Audito	irs.			
4.	Appointment of Mr. N.G. Suk	oramaniam as a Director c	of the Company, liable to retire by rotation.			
5.	Appointment of Dr. G.Katrac	adda as a Director of the	Company, liable to retire by rotation.			
Signature of Sha	day of2015. areholder:					Please affix Revenue Stamp
Signature of Sha Signature of Pro Notes: 1. This form o not less tha	areholder: oxy holder of Proxy , in order to be effectiv an Forty-Eight (48) hours befor	e, should be duly comple e the commencement of	ted and deposited at the Registered Office of the meeting. r to the Notice of Twenty-Sixth Annual Gene		d, Whitefield,	Revenue Stamp
Signature of Sha Signature of Pro Notes: 1. This form o not less tha	areholder: oxy holder of Proxy , in order to be effectiv an Forty-Eight (48) hours befor	e, should be duly comple e the commencement of nt and Notes, please refer 	the meeting.  In to the Notice of Twenty-Sixth Annual Generation  TA ELXSI LIMITED  Identification No. L85110KA1989PLC009968  Infice: ITPB Road, Whitefield, Bengaluru - 560  In the control of the contr	ral Meeting	d, Whitefield,	Revenue Stamp
Signature of Sha Signature of Pro Notes: 1. This form o not less tha	areholder: oxy holder of Proxy , in order to be effectiv an Forty-Eight (48) hours befor	e, should be duly comple e the commencement of nt and Notes, please refer 	the meeting.  The Notice of Twenty-Sixth Annual General States of Twenty-Sixth Annual General States of Twenty-Sixth Annual General States of Twenty-Sixth Annual General General States of Twenty-Sixth Annual General General General States of Twenty-Sixth Annual General	ral Meeting	d, Whitefield,	Revenue Stamp
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I hereby record my presence at the 26th Annual General Meeting of the Company held at Devraj Urs Bhavan (behind Dr. Ambedkar Bhavan) 16D, Millers Tank Bed Area,

Vasanthanagar, Bengaluru - 560 052, on Friday, the 24th July, 2015 at 12.30 p.m.





# **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

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