



June 21, 2019

DGM - Corporate Relations
Bombay Stock Exchange Ltd
Phiroze Jeejeebhoy Towers
Dalal Street Mumbai - 400 001

The Listing Department
National Stock Exchange
Exchange Plaza
Plot No. C-1, Block G
Bandra - Kurla Complex Bandra (East)
Mumbai - 400 051

Dear Sirs,

Sub: Notice to the 30th Annual General Meeting and Annual Report for the financial year 2018-19

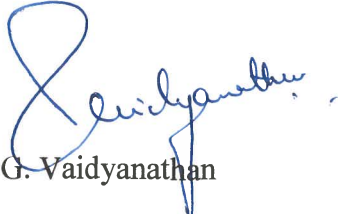
Pursuant to Regulation 34(1) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Notice of the 30th Annual General Meeting along with the Annual Report of the Company for the financial year 2018-19, which is being dispatched to the members in the permitted mode(s).

The Annual Report containing the Notice is also uploaded on the Company's website <https://www.tataelxsi.com/investors/financials/Annual-Report-2018-19.pdf>.

Thanking you.

Yours truly,

For Tata Elxsi Limited



G. Vaidyanathan

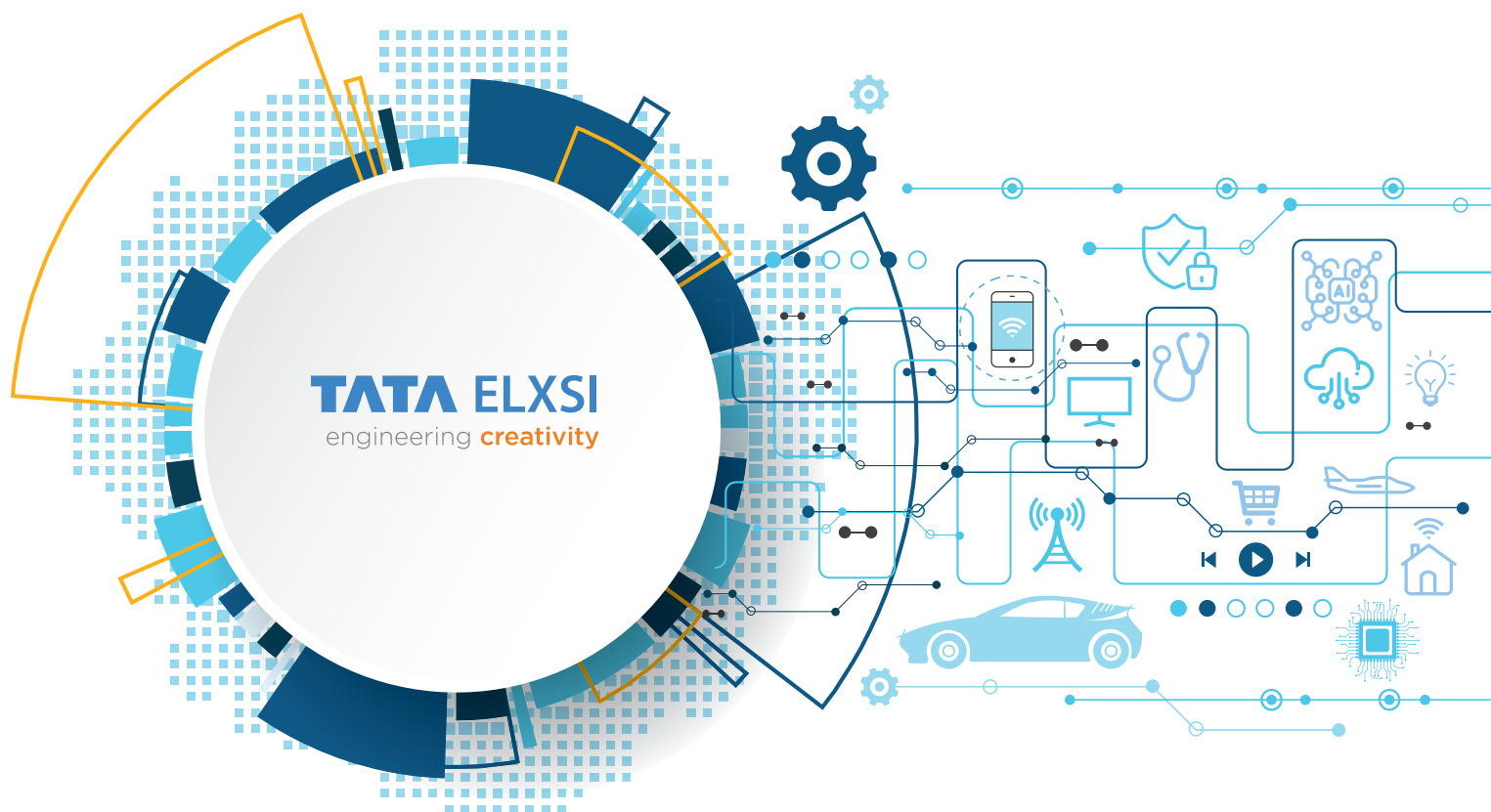
General Counsel and Company Secretary

engineering creativity

TATA ELXSI

Registered Office **Tata Elxsi Limited** ITPB Road Whitefield Bangalore 560 048 India
Tel +91 80 2297 9123 Fax +91 80 2841 1474
www.tataelxsi.com

(CIN-L85110KA1989PLC009968)



TATA ELXSI
ANNUAL REPORT
2018-19

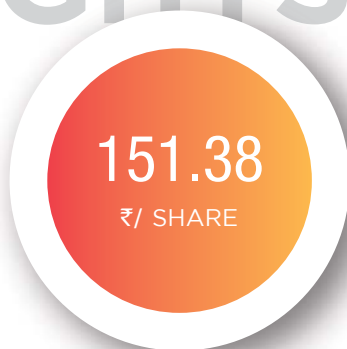


TOTAL INCOME

FINANCIAL HIGHLIGHTS



PROFIT AFTER TAX



BOOK VALUE



EARNINGS PER SHARE



engineering **creativity**

In today's age of hyper-competition and heightened customer expectations, brands and enterprises are challenged in attracting and retaining customers for their products and services. Customer experience throughout the journey, right from discovery to actual purchase to loyalty is becoming a key differentiator between success and failure for brands and businesses.

Design and creative thinking enable businesses to relook at the entire user journey, imagine possibilities and create unique opportunities for innovation and customer delight, while technology enables them to engineer and actualize these innovations into real products and services.

Tata Elxsi is uniquely placed with its integrated design, technology & engineering teams to help enterprises reimagine their products & services, deliver exceptional outcomes for their customers, and drive the growth of their brands and business.

This harmonious blending of form and function, innovation and engineering, creativity and process, pervades everything we do and is perfectly articulated in our brand promise
engineering **creativity**

BOARD OF DIRECTORS

as on April 24, 2019

<hr/>	<hr/>	<hr/>	<hr/>
Mr. N Ganapathy Subramaniam Chairman	Mr. P McGoldrick Independent Director	Mrs. S Gopinath Independent Director	Mr. Ankur Verma Director
	<hr/>	<hr/>	<hr/>
	Prof. M S Ananth Independent Director	Mr. Sudhakar Rao Independent Director	Mr. Madhukar Dev Managing Director

COMMITTEES

Audit

Mrs. S Gopinath
Chairperson
Mr. P McGoldrick
Prof. M S Ananth

Corporate Social Responsibility

Mr. Sudhakar Rao
Chairman
Mrs. S Gopinath
Mr. Madhukar Dev

Risk Management

Mr. P McGoldrick
Chairman
Mr. Sudhakar Rao
Mr. H V Muralidharan

Stakeholders' Relationship

Mr. Sudhakar Rao
Chairman
Mr. Madhukar Dev
Prof. M S Ananth

Nomination & Remuneration

Mrs. S Gopinath
Chairperson
Mr. N G Subramaniam
Mr. P McGoldrick

Chief Financial Officer

Mr. H V Muralidharan

Company Secretary

Mr. G Vaidyanathan

Registered & Corporate Office

Tata Elxsi Limited
ITPB Road Whitefield Bengaluru 560 048
India
Email: investors@tataelxsi.com

Auditors

BSR & Co. LLP
Chartered Accountants

Registrars & Share Transfer Agents

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



MESSAGE FROM THE CHAIRMAN

Dear Shareholder,

Your Company has performed well in its strategic growth areas in FY 18-19, reporting 15% growth in total income and 19% growth in profit before tax as compared to FY 17-18.

During the year under review, your Company continued its momentum of growth, despite geopolitical uncertainties and considerable headwinds in certain industries.

Globally, we are witnessing an exponential increase in the technological complexity required to develop and deliver new products and services. In addition, digital technologies like IoT (Internet of Things), Artificial Intelligence, Virtual Reality and Cloud-based applications are being integrated into consumer contexts, services, and products. These are creating new opportunities to drive operational efficiency, reduce costs, deliver new services to consumers, and enable new streams of revenues for our customers.

Your Company brings unique capabilities of design and technology, that allow an organization to look at digital the right way – not just to infuse technology or obtain incremental operational efficiency gains, but rather a transformational opportunity to relook at the entire delivery of the service and experience – including customer experience, but

also encompassing processes, operations, and the people responsible for delivering the experience.

Our integrated Design + Digital technology teams help enterprises reimagine their products and services - from strategy, insights and service design, to technology implementation, integration, and interaction design.

The automotive industry is undergoing a transformation to next-generation mobility systems that are electrified, autonomous, shared, and connected. Your Company brings together its Design + Digital capabilities to help OEMs and suppliers realize the future of autonomous, connected and electric vehicles.

With the increased penetration of high-speed internet, smart devices, and content, the borders between entertainment, media, and telecommunications have dissolved. New services such as smart, connected homes and OTT are creating new revenue opportunities for operators and broadcasters.

Your Company works with leading broadcasters and operators, and consumer electronics companies to create solutions for smarter living,

engaged entertainment, and a digital future driven by IoT, analytics, and artificial intelligence.

In the healthcare industry, your Company is enabling better healthcare through connected devices and digital technologies, enhancing patient care, thereby reducing costs for healthcare service providers as well as patients.

We will continue to invest in technology, people and processes, as we focus on building competencies in digital technologies and integrated design service capabilities, to help our customers deliver innovation and enhanced consumer experience.

Your Company continually endeavours to stay ahead of the technology curve by building capabilities and solutions to meet the current and future needs of our customers.

I am pleased to inform you that our Board of Directors has recommended a final dividend of Rs. 13.50 per share.

On behalf of the entire Board of Directors and the management team, I would like to thank you for your continued trust and support.

N G Subramaniam

TECHNOLOGY SERVICES AND PRODUCT ENGINEERING

Tata Elxsi provides technology consulting, new product design, development, and testing services for the broadcast, consumer electronics, healthcare, telecom and transportation industries.





Tata Elxsi works with leading OEMs and suppliers in the automotive and transportation industries for R&D, design and product engineering services, right from architecture to launch and beyond. We bring together technologies that accelerate development & testing of connected, autonomous and electric cars & off-highway vehicles.

We work with leading broadcasters & operators to create solutions for smarter living, engaged entertainment and a digital future

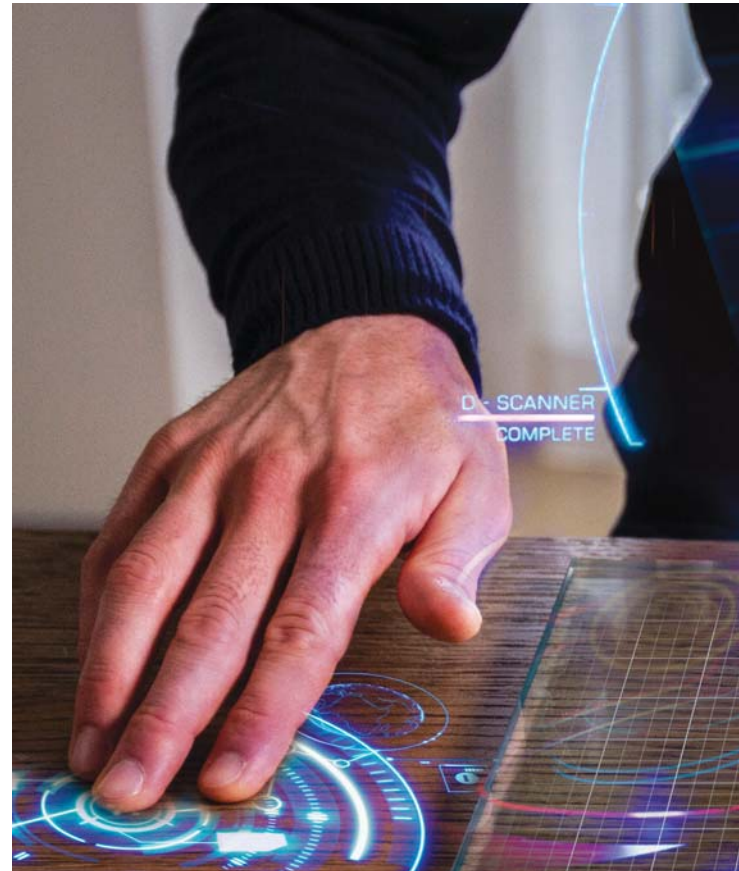
driven by IoT, analytics, and artificial intelligence, thereby enabling new revenue streams and enhanced customer experience.

Tata Elxsi works with independent software & technology vendors, addressing complex challenges & opportunities in the healthcare industry. As a technology partner we bring domain experience, technology leadership and a portfolio of solution accelerators to help our customers to quickly build and deploy solutions based on emerging technologies.



INDUSTRIAL DESIGN AND VISUALIZATION

Tata Elxsi helps customers create innovative products, services, and experiences to build brands and help businesses grow.



AWARDS

India's Best Design Studio
2018 by Pool magazine

Four Best Design Project
Awards -
Product Design
Branding & Graphics
User Experience Design





By intersecting design and technology, Tata Elxsi helps clients globally to bring new ideas and products to market.

Our services span across consumer research and strategy, branding and graphics, product design, service design, user experience design, transportation design, 3D-prototyping, visualization and manufacturing support.

Tata Elxsi brings together emerging technologies including digital,

innovative design, and content to create new products and experiences for customers that drive business success.

Together with our clients, we simplify and enhance service value by analyzing problems, identifying opportunities, improving processes and creating unified solutions, meaningful interactions, spaces, and products.



SYSTEMS INTEGRATION SERVICES



Tata Elxsi provides professional services for implementation, integration, maintenance and support of complete systems and solutions for specialized applications such as High-Performance Computing, Computer Aided Design, Virtual Reality, and Experience Briefing Centers.

We help enterprises and brands create memorable experiences by blending the best of design, technology, and content through Executive Briefing Centers and Experience Centers which help them communicate their products, services and offerings to customers, partners, employees, and investors in an immersive and interactive way.

This includes the design and build of interior spaces based on design-led customer journey mapping, usability and interaction design, integration of AV, technology, and digital content development.

We continue to expand our solution portfolio to address emerging digital technology needs with customers; including Virtual Reality (VR), 3D Printing, and Robotics.

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NOTICE

Notice is hereby given that the **THIRTIETH ANNUAL GENERAL MEETING** of **TATA ELXSI LIMITED** will be held on Wednesday, July 17, 2019 at 12:30 pm., at St. John's Auditorium, John Nagar, Koramangala, Bengaluru - 560 034, to transact the following businesses:

Ordinary Business

1. To consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2019, together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on equity shares for the financial year 2018-19.
3. To appoint a Director in place of Mr. N. Ganapathy Subramaniam who retires by rotation and, being eligible, offers himself for re-appointment.

Special Business

4. Appointment of Mr. Ankur Verma as a Director

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

"RESOLVED THAT Mr. Ankur Verma (DIN 07972892) who was appointed by the Board of Directors as an Additional Director (Non-Executive, Non-Independent) of the Company with effect from August 01, 2018 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ("Act") and Article 151 of the Articles of Association of the Company, who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company, liable to retire by rotation."

5. Re-appointment of Mrs. Shyamala Gopinath as an Independent Director

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. Shyamala Gopinath (DIN: 02362921), and who has submitted a declaration that she meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for reappointment, and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director of the Company be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term commencing from July 18, 2019 upto June 19, 2024 (4 years, 11 months and 2 days period) and whose office shall not be liable to retire by rotation."

6. Appointment of Mr. Manoj Raghavan as Director

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

"RESOLVED THAT Mr. Manoj Raghavan (DIN 8458315), be and is hereby appointed as a Director of the Company, with effect from October 02, 2019, in terms of Section 152 of the Companies Act, 2013 ("Act"), not liable to retire by rotation."

7. Appointment of Mr. Manoj Raghavan as CEO & Managing Director

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

"RESOLVED THAT pursuant to the provisions of Section 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013, the Company hereby approves the appointment of Mr. Manoj Raghavan (DIN: 8458315) as CEO & Managing Director of the Company for a period of three years, with effect from October 02, 2019 up to October 01, 2022 on the terms and conditions, as contained in the draft agreement to be executed between the Company and Mr. Manoj Raghavan as set out in the Explanatory Statement annexed to the Notice.

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

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

Bengaluru, April 24, 2019

By Order of the Board

Registered Office:

ITPB Road, Whitefield,
Bengaluru - 560 048.
CIN: L85110KA1989PLC009968

G. Vaidyanathan
Company Secretary

NOTES:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the "Act") setting out material facts concerning the business under Item Nos. 4 to 7 of the Notice, is annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), in respect of Directors seeking appointment/re-appointment at this Annual General Meeting ("AGM") are also annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in aggregate not more than 10% of the total share capital of the Company 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 a proxy for any other person or shareholder. The instrument appointing the 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 commencement of the AGM. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.
3. 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.
4. Members, Proxies and Authorised Representatives are requested to bring their copy of the Annual Report for reference at the Meeting as also duly completed Attendance Slip enclosed herewith to attend the AGM.
5. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

6. Register of Members and Transfer Books of the Company will remain closed from July 10, 2019 to July 17, 2019 (both dates inclusive) for the purpose of determining the shareholders entitled to the payment of Dividend declared, at the Annual General Meeting on July 17, 2019 for the year ended March 31, 2019.
7. 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 July 09, 2019 and to the Beneficial Holders as per the Beneficiary List as at the close of business hours on July 09, 2019 provided by the NSDL and CDSL.
8. 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 account. Members holding shares in physical form can submit their PAN details to the Registrar and Transfer Agent – TSR Darashaw Limited (TSRDL).
9. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website www.tataelxsi.com (under 'Investors' section). Members are requested to submit the said details to their Depository Participants ("DPs") in case the shares are held by them in electronic form and to TSR Darashaw Limited, in case the shares are held by them in physical form.
10. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DP for shares held by them in electronic form and with TSRDL in case the shares are held by them in physical form.
11. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to the Company's Registrars and Transfer Agents, TSRDL for shares held in physical form.
12. Electronic copy of the Annual Report 2018-19 is being sent to all the members whose email IDs are registered with the Company / Depository Participant(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 2018-19 are being sent in the permitted mode.
13. Members may also note that the Notice of the 30th Annual General Meeting and the Annual Report 2018-19 will also be available on the Company's website www.tataelxsi.com for download. The physical copies of the aforesaid documents are also available in the Company's Registered Office in Bengaluru 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, free of cost, upon making a request for the same by post. For any communication, the shareholders may also send requests to the Company's dedicated investor email-id: investors@tataelxsi.com
14. Pursuant to SEBI Notification, members may please note that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. Members holding shares in physical form are requested to contact the Company or TSRDL for assistance in this regard.
15. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or TSRDL, the details of such folios together with the share certificates for consolidating their holdings into one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
16. Members who have not received their dividend paid by the Company in respect of earlier years, are requested to check with the Company's Registrar and Transfer Agent, TSRDL. 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.

17. Members who have not yet encashed their dividends for the financial year ended March 31, 2012 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 March 31, 2012 are due for transfer to the Investor Education & Protection Fund on August 29, 2019.
18. It may be noted that pursuant to the "Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016", shares in respect of which dividend has been unclaimed for seven consecutive years are also liable to be transferred to the demat account of the IEPF Authority. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in Form No. IEPF-5 available on www.iepf.gov.in.
19. Members at the 28th AGM of the Company, held on July 27, 2017 had approved the appointment of M/s BSR & Co. LLP (Firm Regn. No. 101248W/W10022) as statutory auditors of the Company, to hold office for a period of five years, subject to ratification of shareholders, from the conclusion of the 28th AGM till the conclusion of the 33rd AGM.

The Ministry of Corporate Affairs vide its Notification dated May 7, 2018 has dispensed with the requirement of ratification of Auditors appointment by shareholders every year. Hence, the resolution relating to ratification of Auditors' appointment is not included in the Notice to the AGM.

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 Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, 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 Company has appointed Mrs. Jayashree Parthasarathy, of M/s Jayashree Parthasarathy & Co., Membership No. 4610, as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting at the meeting and remote e-voting process, in a fair and transparent manner.
- III. The facility for voting, either through electronic voting system or poll paper, shall also be made available at the AGM and the Members attending the AGM, who have not already cast their vote by remote e-voting, may exercise their right to vote at the AGM.
- IV. 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.
- V. The remote e-voting period commences on July 14, 2019 (9:00 am) and ends on July 16, 2019 (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 July 10, 2019, 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 or cast the vote again.

The procedure to login to e-Voting website consists of two steps as detailed hereunder.

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

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

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

4. Your User ID details are given below:

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

5. Your password details are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

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

Step 2: Cast your vote electronically on NSDL e-Voting system

- After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- After clicking on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- Select "EVEN" of the Company, which is **110717**
- Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to parthajaya@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

Other Instructions

1. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of voting, either through remote e-voting or voting at the AGM through electronic voting system or poll paper.
2. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
3. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the Meeting, thereafter, unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
4. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.tataelxsi.com and on the website of NSDL www.evoting.nsdl.com immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

Bengaluru, April 24, 2019

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, sets out all material facts relating to the business mentioned at Item Nos. 4,5,6 and 7 of the accompanying Notice:

Item No. 4

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, appointed Mr. Ankur Verma as an Additional Director of the Company with effect from August 01, 2018. Pursuant to the provisions of Section 161(1) of the Act and Article 151 of the Articles of Association of the Company, Mr. Ankur Verma holds office up to the date of this AGM and is eligible to be appointed as Director, whose office shall be liable to retire by rotation.

The Company has, in terms of Section 160(1) of the Act received in writing a notice from a Member, proposing his candidature for the office of Director. The Nomination and Remuneration Committee at its meeting held on April 24, 2019 has recommended the appointment of Mr. Ankur Verma to the Directorship of the Company.

Mr. Ankur Verma is a B.E. in Mechanical Engineering and PGDM from IIM, Calcutta. With over 15 years of experience in Investment Banking, Capital Markets and Corporate Strategy, he started his career with Tata Consultancy Services (TCS) and was the Managing Director (Investment Banking Division) in Bank of America Merrill Lynch. Mr. Ankur Verma currently serves as the Senior Vice President, Chairman's Office at Tata Sons Limited.

Further details of Mr. Ankur Verma have been given in the Annexure to the Notice.

The Board recommends the Resolution at Item No. 4 of this Notice for approval of the Members.

None of the Directors, KMP and / or their relatives, except Mr. Ankur Verma and his relatives are concerned or interested in the resolution set forth in Item No. 4 of the Notice.

Item No. 5

The Members of the Company at the 25th Annual General Meeting held on July 17, 2014 had approved the appointment of Mrs. Shyamala Gopinath as an Independent Director of the Company for a term of 5 years, up to July 17, 2019. The tenure of Mrs. Gopinath as Independent Director expires on July 17, 2019.

The Company has, in terms of Section 160(1) of the Act received in writing a notice from a Member, proposing her candidature for the office of Director. The Nomination and Remuneration Committee at its meeting held on April 24, 2019 has recommended the re-appointment of Mrs. Shyamala Gopinath as an Independent Director of the Company for a second term commencing from July 18, 2019 to June 19, 2024 (4 years 11 months and 2 days period) in terms of Section 149 read with Schedule IV of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, or any amendment thereto or modification thereof.

Mrs. Gopinath holds a Master of Commerce degree and is a Certified Associate of Indian Institute of Bankers and retired as Deputy Governor of Reserve Bank of India. Mrs. Gopinath serves on the Board of various companies and has vast experience in guiding and influencing the national policies in the diverse areas of financial sector regulation and supervision, development and regulation of financial markets, capital account management, management of Government borrowings, forex reserves management, RBI accounts, and payment & settlement systems.

Further details of Mrs. Gopinath have been provided in the Annexure to this Notice.

The Company has received declaration from Mrs. Gopinath that she meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and an affirmation that she is not debarred from holding the office of director by virtue of any order of SEBI or such other authority.

In the opinion of the Board, Mrs. Gopinath fulfils the conditions specified in the Act and SEBI Listing Regulations for appointment as Independent Director and is independent of the management of the Company. The terms and conditions of her appointment shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day (except Saturday).

The Board recommends the resolution at Item No. 5 of this Notice for approval of the Members.

None of the Directors, KMP and / or their relatives, except Mrs. Gopinath and her relatives are concerned or interested in the resolution set forth in Item No. 5 of the Notice.

Item No. 6 & 7

1. On the recommendation of the Nomination & Remuneration Committee (NRC), the Board of Directors at their meeting held on April 24, 2019, subject to the approval of the Members, has unanimously approved the appointment of Mr. Manoj Raghavan, as the CEO & Managing Director of the Company for a period of 3 years, from October 02, 2019 upto October 01, 2022 on the terms and conditions as given hereinafter.
2. Mr. Manoj Raghavan, aged 47 years, is a B.Tech in Metallurgical Engineering from IIT Madras and an MBA from the Indian Institute of Foreign Trade, New Delhi. He joined Tata Elxsi in 1997 as Regional Manager to set up and grow Japan operations. Subsequently he was also responsible for developing the business in South Korea, Taiwan, Singapore and China. Manoj was also responsible for the North American business and helped grow the region to become a top revenue earner for the company. He has held various positions in Sales, Marketing and Operations before being appointed as Executive Vice-President (EPD) in charge of the entire EPD businesses of the Company in 2014, spearheading the sales, overall delivery and P&L for the division. Manoj has also completed the Advanced Management Program from Harvard Business School.

The terms of appointment of Mr. Manoj Raghavan, CEO & Managing Director, with effect from October 02, 2019, inter alia, include the following:

- i. Nature of Duties: Subject to the supervision and control of the Board of Directors of the Company, the CEO & Managing Director shall be in charge of the affairs of the Company and exercise such functions and powers as shall from time to time be entrusted to him by the Board of Directors.
- ii. Period of Agreement: From October 02, 2019 to October 01, 2022.
- iii. Remuneration: Basic Salary of Rs. 4,86,000/- per month, up to a maximum of Rs. 10,00,000/- per month with authority to the Board or Committee of Board, on the recommendation of the NRC, to fix the salary within the above maximum amount from time to time. The annual increments which will be effective 1st April each year, will be decided by the Board, on the recommendation of NRC, and will be merit-based and take into account the Company's performance as well.

iv. Benefits, Perquisites, and Allowances:

Details of Benefits, Perquisites, and Allowances are as follows:

- i. Rent-free residential accommodation (partly furnished or otherwise) with the Company bearing the cost of repairs, maintenance, society charges and utilities (e.g., gas, electricity, and water charges) for the said accommodation or house rent, house maintenance and utility allowances aggregating 85% of the Basic Salary (in case residential accommodation is not provided by the Company).
- ii. Hospitalisation and major medical expenses, Car facility and Telecommunication facility as per Rules of the Company.
- iii. Other perquisites and allowances subject to a maximum of 55% of the Basic Salary; this shall include medical allowance, leave travel concession / allowance and other allowances / personal accident insurance / club membership fees.
- iv. Contribution to Provident Fund, Superannuation Fund or Annuity Fund and Gratuity Fund as per the Rules of the Company.
- v. Leave and encashment of unavailed leave as per the Rules of the Company.
- v. Commission: In addition to Salary, Benefits, Perquisites and Allowances, the CEO & Managing Director would be paid such remuneration by way of Commission, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of the Company subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the CEO&MD will be based on his performance as evaluated by the Board or the NRC and approved by the Board and will be payable annually after the annual accounts have been approved by the Board.

- vi. Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the CEO & Managing Director, the Company has no profits or its profits are inadequate, the Company will pay Remuneration by way of salary, incentive remuneration and perquisites & allowances as specified above.
- vii. Termination: The appointment of the CEO & Managing Director may be terminated either by the Company or the CEO & Managing Director by giving six months' notice or the Company paying six months remuneration in lieu of such notice.

The employment of the CEO & Managing Director may be terminated by the Company without notice or payment in lieu of notice if (i) he is found guilty of any gross negligence, default or misconduct with or affecting the business of the Company, its subsidiaries or associates, (ii) in the event of any serious or repeated or continuing breach (after prior warning) or non-observance of any stipulations contained in the terms of his appointment, or (iii) in the event the Board loses confidence in him.
- viii. The terms and conditions of the said appointment and/or agreement may be altered and varied from time to time by the Board as it may, in its discretion, deem fit, within the maximum amount payable to the CEO & Managing Director.
- ix. If at any time the CEO & Managing Director ceases to be a Director for any cause whatsoever, he shall also cease to be the CEO & Managing Director of the Company.
- x. If at any time the CEO & Managing Director ceases to be the Managing Director of the Company for any cause whatsoever, he shall also cease to be a Director of the Company.
- xi. The CEO & Managing Director shall not be entitled to supplement his earnings under the agreement with any buying or selling commissions. He shall not also become interested or otherwise concerned directly or through his wife or minor children in any selling agency of the Company, without prior approval of the Central Government.
- xii. All Personnel Policies of the Company and the related Rules which are applicable to other employees of the Company shall also be applicable to the CEO & Managing Director, unless specifically provided otherwise.
- xiii. The CEO & Managing Director is being appointed as a Director by virtue of his employment in the Company and his appointment shall be subject to the provisions of Section 167 (1)(c) and 167(1)(d) of the Companies Act, 2013.
- xiv. The Managing Director shall not have the following powers:
 - i. to make calls on members in respect of moneys unpaid on shares in the Company;
 - ii. to issue debentures;
 - iii. to invest funds of the Company in shares, stocks and securities; and
 - iv. to buy back shares of the Company.
- 3. The Directors recommend the resolution at Item No. 7 of the accompanying Notice for approval of the Members of the Company.
- 4. The draft agreement to be entered into between the Company and Mr. Manoj Raghavan is available for inspection at the registered office of the Company on any working day between 11.00 A.M. and 1.00 P.M.
- 5. None of the Directors, KMP and/or their relatives, except Mr. Manoj Raghavan and his relatives are concerned or interested in the resolution set forth in Item No. 6 and 7 of the Notice.

Bengaluru, April 24, 2019

By Order of the Board

Registered Office:

ITPB Road, Whitefield,
Bengaluru - 560 048.

CIN: L85110KA1989PLC009968

G. Vaidyanathan
Company Secretary

ANNEXURE

Details of Directors seeking appointment / re-appointment at the Annual General Meeting

Particulars	Mr. N. Ganapathy Subramaniam	Mr. Ankur Verma
Date of Birth	May 20, 1959	March 25, 1976
Date of Appointment	November 01, 2014	August 01, 2018
Qualifications	M.Sc (Mathematics)	B.E. in Mechanical Engineering; PGDM from IIM, Calcutta
Expertise in specific functional areas	IT Industry and General Management	Investment Banking, Capital Markets Corporate Strategy
Directorships held in other public companies (excluding foreign companies and Section 8 companies)	Tata Consultancy Services Limited	1. Tata AIA Life Insurance Company Limited 2. Tata Capital Housing Finance Limited 3. Tata Teleservices Limited 4. Tata Teleservices (Maharashtra) Limited 5. Tata Sky Limited 6. Tata Autocomp Systems Limited
Memberships/Chairmanships of committees of other public companies (Audit Committee and Stakeholders' Relationship Committee considered)	Nil	Audit Committee: 1. Tata AIA Life Insurance Company Limited 2. Tata Capital Housing Finance Limited 3. Tata Teleservices Limited 4. Tata Teleservices (Maharashtra) Limited 5. Tata Sky Limited
Number of shares held in the Company as on March 31, 2019	Nil	Nil

Details of Directors seeking appointment / re-appointment at the Annual General Meeting

Particulars	Mr. Manoj Raghavan	Mrs. S. Gopinath
Date of Birth	October 16, 1971	June 20, 1949
Date of Appointment	October 02, 2019	August 09, 2011
Qualifications	B.Tech, (Met.) IIT, Madras; MBA, IIFT, New Delhi; Advanced Management Program Harvard Business School	M.Com; Associate of Indian Institute of Banking
Expertise in specific functional areas	IT Industry and General Management	Governance, Banking Industry and General Management
Directorships held in other public companies (excluding foreign companies and Section 8 companies)	Nil	1. HDFC Bank Limited, Chairperson 2. Colgate-Palmolive (India) Limited 3. BASF India Limited 4. CMS Info Systems 5. Lodha Developers Limited
Memberships/Chairmanships of committees of other public companies (Audit Committee and Stakeholders' Relationship Committee considered)	Nil	Audit Committee : - 1. HDFC Bank Limited 2. Colgate-Palmolive (India) Limited 3. Lodha Developers Limited 4. BASF India Limited Stakeholders' Relationship Committee: 1. Colgate-Palmolive (India) Limited 2. BASF India Limited
Number of shares held in the Company as on March 31, 2019	Nil	Nil

None of the Directors, including those seeking appointment / re-appointment are related to each other within the meaning of the term "relative" as per section 2(77) of the Companies Act, 2013.

DIRECTORS' REPORT TO THE MEMBERS

1. Your Directors are pleased to present the Thirtieth Annual Report on the business and operations of the Company along with the Audited Statements of Accounts for the financial year ended March 31, 2019.
2. **Result of Operations - Extract**

₹ In Crores

	2018-19	2017-18
Revenue from operations	1597	1386
Other income(Net)	43	43
Total Income	1640	1429
Profit before financial expenses, depreciation	458	389
Less: Financial expenses	-	-
Depreciation/ Amortization	25	25
Profit before tax	433	364
Tax expenses	143	124
Profit after tax for the year	290	240
Other Comprehensive income	-3	1
Total comprehensive income	287	241
Add: Profit brought forward	610	439
Less: Dividend and Dividend Tax*	83	60
Transfer to General Reserve	10	10
Balance Profit carried to Balance Sheet	804	610

*Pertains to previous years

3. Dividend

Your Directors recommend for your approval, a dividend of 135 % (₹ 13.50 per share) for the year ended March 31, 2019 on 6,22,76,440 equity shares of ₹ 10/- each fully paid-up, compared to 110% (₹ 11/- per share) on 6,22,76,440 equity shares of ₹ 10/- each fully paid-up in the previous year.

This will involve an outgo of ₹ 101.37 crores compared to ₹ 82.60 crores in the previous year, including dividend distribution tax.

The Company's Dividend Distribution Policy (DDP) is available in the Investors section of the company website: <http://www.tataelxsi.com/investors/TataElxsi-dividend-distribution-policy.pdf>

4. Reserves

Your Directors have approved a transfer of ₹ 10 crores to the General Reserves for the year ended March 31, 2019, as against an amount of ₹ 10 crores transferred in the previous year.

5. Review of Operations

The total income during the year under review increased by 15% from ₹ 1429 crores in the previous year to ₹ 1640 crores.

The Profit Before Tax (PBT) increased by 19% from ₹ 364 crores in the previous year to ₹ 433 crores. The Profit After Tax (PAT) increased by 21% from ₹ 240 crores in the previous year to ₹ 290 crores.

During the year under review, your Company continued its momentum of growth despite geo-political uncertainties, considerable headwinds in the business environment and currency volatility in some currencies.

6. MANAGEMENT DISCUSSION AND ANALYSIS

Industry Outlook

According to NASSCOM, India's IT-BPM industry (excl. e-commerce) is expected to grow by 6.1% in FY19 to \$ 177 billion. Technologies such as robotics, cloud, IoT, and AR/ VR are driving a large part of this growth.

According to NASSCOM, India continues to be the core for developing 'Intelligent Solutions' with enormous opportunities for digital engineering & connected solutions, innovation and R&D hubs, SaaS & deep tech solutions, IT digital solutions partners, intelligent operations partners, and disruptive products & solutions.

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 16% from ₹ 1329 crores in the previous year to ₹ 1543 crores in FY19. The segment profit increased by 16% from ₹ 396 crores during the last year to ₹ 456 crores during FY19.

In order to enhance the customer experience, there is a need to create the 'market of one,' which involves all the components right from strategy, customer insights to design, implementation and post-delivery delight to be carefully packaged. Tata Elxsi brings together this unique capability of integrated design and technology teams across verticals, which helps it stand out for its customers and helping deliver innovation for new products and services.

Leveraging Digital

Your Company has been investing in key digital technologies over the past few years, through Centers of Excellence in areas such as AI and Analytics, IoT and Automation, which have helped enhance the service portfolio, not only for existing customers but also to win new customers across the world.

To illustrate, NOS, a Portugal based entertainment & communication provider, has collaborated with your Company to launch a Digital Centre of Excellence (CoE). This center will focus on digital transformation initiatives that are geared to deliver next-generation services, enhance subscriber experience, and improve operational efficiency across their entire portfolio.

The software development and services segment consist of two business divisions that provide technology and design services respectively to customers across industries.

Embedded Product Design

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

Transportation

Tata Elxsi works with leading OEMs and suppliers in the automotive and transportation industries for R&D, design and product engineering services from architecture to launch and beyond. Your Company works with leading car manufacturers and suppliers, in developing electronics and software for powertrain, infotainment, connectivity, active safety, and comfort and convenience.

By 2020, over 250 million vehicles are estimated to be connected to the internet and equipped with a myriad of sensors, connectivity platforms, and geo-analytical capabilities.

Your Company brings together deep expertise in digital technologies including Artificial Intelligence, Extended Reality, and IoT to help OEMs & suppliers to realize the future of autonomous, connected & electric vehicles.

As vehicles become more integrated, complex and autonomous, the amount of software and hardware required will significantly increase. Your Company has been working on driverless car solutions for the past few years now and has also invested in developing in-house software and components to help customers accelerate their product development.

For instance, Tata Elxsi has collaborated with Mobis Technical Centre (HMTCI), a wholly owned subsidiary of Hyundai Mobis for the development of a Synthetic Scene Generator Tool. This tool can replicate every real-world scenario an automobile could encounter, which could run into millions of possibilities, accelerating the ongoing research and development support HMTCI is providing to their OEMs in Autonomous Driving.

Electric vehicles are slowly gaining momentum, and even as the industry embraces electric, we will see a shift from conventional to hybrid to fully electric powertrains. Tata Elxsi has been working in various aspects of the electric vehicle space especially in powertrain development, from program management to software development and validation of new platforms.

Your Company participated in leading trade shows and events across geographies, such as the CES 2019 (Consumer Electronics Show) in Las Vegas, Hybrid & Electric Vehicle Confex in Pune, and Autonomous & Smart Vehicle Summit in Shanghai, where it showcased its capabilities and new product offerings for autonomous vehicles, connected cars, and next-gen infotainment.

Broadcast and Communications

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

With the penetration of high-speed internet, smart devices and content flooding in the market, the borders between entertainment, media, and telecommunications have dissolved. New services such as smart, connected homes & OTT are creating new revenue opportunities for operators & broadcasters.

Tata Elxsi works with leading broadcasters & operators to create solutions for smarter living, engaged entertainment and a digital future driven by IoT, analytics and artificial intelligence thereby enabling new revenue streams and enhanced customer experience.

Tata Elxsi has partnered with Airtel to deliver an engaging digital platform for customers with an innovative hybrid DTH set-top-box – ‘Internet TV’ which brings together the best of online content and linear TV on one platform, bridging the gap between online and offline world for TV users.

We continue to participate in leading international industry events such as IBC (International Broadcasting Convention) in Amsterdam, Appliances & Electronics World Expo in Shanghai, and Broadcast Asia in Singapore to reiterate our established presence and brand in these markets.

Industrial Design and Visualization

Tata Elxsi helps customers create innovative products, services, and experiences to build brands and help businesses grow. By intersecting design and technology, we help clients globally to bring new ideas and products to market.

Your Company’s services span across consumer research and strategy, branding and graphics, product design, service design, user experience design, transportation design, 3D-prototyping, visualization and manufacturing support.

Tata Elxsi brings together emerging technologies including digital, innovative design and content to create new products and experiences for customers that drive business success.

Together with our clients we simplify and enhance service value by analyzing problems, identifying opportunities, improving processes and creating unified solutions, meaningful interactions, spaces, and products.

Your Company has been awarded India’s Best Design Studio 2018 by Pool magazine. We have also won four Best Design Project Awards in the Product Design, Branding & Graphics, and User Experience Design categories. This is a testimony to our world-class design thinking, strategy and end-to-end service capabilities.

Systems Integration and Support

During the year under review, our Systems Integration & Support segment reported a turnover of ₹ 54 crores and profit of ₹ 9 crores.

Your Company implements and integrates complete systems and solutions for specialized applications such as High-Performance Computing, Computer Aided Design, and Virtual Reality. We also provide Professional Services for the maintenance and support of such installations in India and key overseas markets.

We continue to expand our solution portfolio to address emerging digital technology needs with our customers, including Virtual Reality (VR), 3D Printing and Robotics.

In the VR space, your Company has been named as an exclusive distributor for VR driver training in India by VR Motion. This will promote easier and more sophisticated fleet driver training and higher road safety using Virtual Reality.

Threats, concerns, and risks

With global trade risk rising this year as the U.S. plans tariffs on a range of products, the pressure to protect the competitiveness of export industries is set to build. India will likely prefer to keep its currencies competitive relative to Asian counterparts. As almost 85% of company's revenue comes from outside India, and the majority of the delivery team is based in India, a weakening of Rupee against leading foreign currencies or strengthening of these currencies will only help the company's top-line and bottom-line.

Tata Elxsi's revenue is uniformly distributed across Euro and US dollar currencies, which provides us a natural hedge against possible currency risk from any single region. Your Company has also institutionalised a hedging policy to address any possible risks associated with global currencies.

The UK is going through some protectionism measures like the minimum wage bill for a work permit, but again the impact to Tata Elxsi is small.

The new US H1B policy is likely to have minimal impact on our operations as most of our projects are delivered via offshore locations in India.

Internal Control Systems and their adequacy

The Company's internal control systems commensurate with the nature of its business and the size and complexity of its operations. Your Company has appointed an external audit firm Deloitte Haskin & Sells LLP to provide an independent, objective and reasonable assurance on the adequacy and effectiveness of the Company's internal controls. The audit firm periodically evaluates and tests the efficacy and adequacy of internal controls. The internal control systems also aim to strengthen the overall assurance practices, processes and controls. Significant audit observations and follow up actions thereon are reported to the Audit Committee.

Based on the internal audit reports, process owners undertake corrective actions in their respective areas and thereby strengthen the controls. The Audit Committee approves the annual internal audit plan, reviews the adequacy and effectiveness of the internal control system, significant audit observations and monitors the implementation of audit recommendations.

Financial Analysis

Particulars	2018-19	2017-18	Change over previous year %	Percentage of Income	
	₹ Crs			2018-19	2017-18
Sales and services	1597	1386	15	97	97
Other income	43	43	-	3	3
Total Revenues	1640	1429	15	100	100
Cost of sales	99	77	28	6	5
Personnel expenses	843	749	13	51	52
Financial expenses	-	-	-	-	-
Depreciation/ Amortization	25	25	-	2	2
Other expenses	240	214	12	15	15
Total Expenditure	1207	1065	13	74	75
Profit before tax and exceptional items	433	364	19	26	25
Tax expenses	143	124	16	9	9
Profit after tax for the year	290	240	21	18	17

Analysis of Overheads

Particulars	2018-19	2017-18	Variance %
	₹ Crs	₹ Crs	
Operating lease rent	19.61	17.04	15.08
Communication expenses	8.13	8.80	(7.56)
Inland travel and conveyance	8.53	7.91	7.84
Overseas travel	66.24	66.38	(0.21)
Consultant fees for software development	61.71	50.88	21.29

Significant Ratio Analysis

Sl. No.	Particulars	Unit	31.03.19	31.03.18
1	Earnings before interest, depreciation and tax/Sales	%	28.71	28.08
2	Profit before tax/ Sales	%	27.14	26.25
3	Profit after tax/ Sales	%	18.16	17.32
4	Current Ratio*	No. of times	5.39	4.23
5	Earnings per share	₹	46.56	38.54

*Increase in Current Ratio is due to cash generation during the year resulting in higher cash and bank balances.

Human Resources

Your Company recognizes the critical importance of its human capital. As a technology-led design Company, we continue to focus on attracting and retaining top talent.

Your Company undertakes significant initiatives to increase effectiveness and efficiency through Leadership training, Performance management, Talent development, Employee engagement and Succession planning. Across the organization there are leadership programs for all job levels, technical training programs are hosted to up-skill and re-skill employees on latest technologies, there are curated learning paths for all employees and employee engagement is at the centre of everything we do. There are programs like Future leaders to identify young aspiring talent early in their career and nurture that talent.

Your Company believes in Diversity & Inclusion and is committed to the principle of Equal Employment Opportunity for all employees. About 33% of our total workforce comprises of female employees, underscoring the emphasis that Tata Elxsi places on providing equal opportunities for its workforce. Our total headcount was 6060 as of March 31, 2019.

Quality initiatives

We have instituted 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. To this effect, we have been assessed and certified for ISO 9001:2015 and ISO 27001:2013. Additionally, we have been certified for design and development of medical devices with ISO 13485:2012 certification, and Automotive SPICE® Level 5 certification for transportation business.

Directors and Key Managerial Personnel

Pursuant to the provisions of section 152 of the Companies Act, 2013, Mr. N.G. Subramaniam retires by rotation and being eligible, offers himself for re-appointment.

The Board had, on the recommendation of the Nomination and Remuneration Committee (NRC), at its meeting held on July 25, 2018 appointed Mr. Ankur Verma as an Additional Director of the Company with effect from August 01, 2018. In terms of section 161 of the Companies Act, 2013, Mr. Verma holds office up to the date of the ensuing Annual General meeting and being eligible offers himself for re-appointment. The NRC at its meeting held on April 24, 2019

has recommended the appointment of Mr. Verma to the office of the Directorship of the Company whose term of office shall be determined by retirement by rotation, subject to the approval of the shareholders.

Dr. Gopichand Katragadda, Non-Executive Non Independent-Director, resigned from the office of the directorship of the Company with effect from July 13, 2018. The Board placed on record their appreciation for the valuable contribution and guidance rendered by Dr. Katragadda during his tenure on the Board.

The term of Mrs. Shyamala Gopinath and Mr. Patrick McGoldrick, Independent Directors is due to expire on July 17, 2019. The Nomination and Remuneration Committee (NRC) at its meeting held on April 24, 2019 has recommended the re-appointment of Mrs. Shyamala Gopinath, Independent Director, for a further term commencing from July 18, 2019 upto June 19, 2024, subject to the approval of the shareholders. Mr. Patrick McGoldrick, Independent Director, did not wish to be re-appointed due to his domestic commitments.

The Board as a part of succession plan for the CEO & Managing Director, Mr. Madhukar Dev, who retires on October 01, 2019, and on the recommendation of the Nomination and Remuneration Committee (NRC) decided to appoint Mr. Manoj Raghavan, Executive Vice President (EPD) as the CEO & Managing Director of the Company on and from October 02, 2019, subject to the approval of the shareholders.

During the year under review, five (5) Board meetings were held and have been well attended by the Directors. The calendar of meetings for the year 2019-20 has been circulated to all the directors detailing the schedule of Board and Committee meetings during 2019-20.

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 April 25, 2018.

Pursuant to the provisions of section 203 of the Companies Act, 2013, the Key Managerial Personnel (KMP) of the Company are Mr. Madhukar Dev, MD & CEO; Mr. Muralidharan H.V, Chief Financial Officer (CFO) and Mr. G Vaidyanathan, General Counsel & Company Secretary.

7. 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 2018-19.

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 the assets and for preventing and detecting fraud and other irregularities;
- d. The Directors have prepared the annual accounts on a going concern basis.
- e. The Directors had laid down internal financial controls to be followed by 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.

8. Particulars on Remuneration

The statement showing the names of the top ten employees in terms of remuneration drawn and 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 as under:

- (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 Director	Ratio to median remuneration
Mr. N G Subramaniam*	-
Mr. Patrick McGoldrick	11.87
Mrs. S. Gopinath	14.96
Dr. G Katragadda* (up to July 13, 2018)	-
Prof. M.S. Ananth	8.00
Mr. Sudhakar Rao	9.68
Mr. Ankur Verma* (on and from August 01, 2018)	-
Executive Director	
Mr. Madhukar Dev, MD & CEO	93.32

For Non-Executive Director only Commission is considered.

*Being in full time employment of other Tata Company is not eligible for commission.

- (ii) Percentage increase in the remuneration of the Directors and KMPs for the financial year:

Directors, Managing Director & CEO, Chief Financial Officer and Company Secretary	% increase in the remuneration of Directors/KMP in the Financial year
Mr. N G Subramaniam**	-
Mr. Patrick McGoldrick	23.89
Mrs. S. Gopinath	18.34
Dr. G Katragadda** (up to July 13, 2018)	-
Prof. M.S. Ananth	22.77
Mr. Sudhakar Rao	-
Mr. Ankur Verma** (on and from August 01, 2018)	-
Mr. Madhukar Dev, MD & CEO	15.60
Mr. Muralidharan H.V, CFO*	-
Mr. G Vaidyanathan, Company Secretary	13.64

*Since information is part of the year, either current or past, the same is not comparable.

**Being in full time employment of other Tata Company is not eligible for commission.

- (iii) The percentage increase in the median remuneration of employees in the financial year: 5%
- (iv) The number of permanent employees on the rolls of company: 6060 (including consultants)
- (v) 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 2018-19 was 12%. Percentage increase in the managerial remuneration for the year was 16%.

(vi) The Company hereby affirms that the remuneration is as per the remuneration policy of the company.

The 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.
- 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.

The Remuneration Policy and the Charter for NRC are available at <http://tataelxsi.com/investors/nrccharter.pdf>

9. 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-A.

10. Business Responsibility Report (BRR)

In terms of the Regulation 34(2) (f) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ('Listing Regulations') the Business Responsibility Report is attached as Annexure-C.

11. Risk Management Policy

The Board has 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 including to review and monitor the cyber security measure. More details are given under Section-6 of Corporate Governance Report.

12. Corporate Social Responsibility

Corporate Social Responsibility (CSR) Committee has been constituted for the purposes of recommending 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 (<http://tataelxsi.com/company/social-responsibility.html>). 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-D. The detail of the CSR Committee and its composition is given in section-7 of the Corporate Governance Report.

13. Corporate Governance

In terms of Regulation 34(3) and 53(f) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 the Corporate Governance Report, the Management Discussion & Analysis Statement, and the Auditors' Certificate regarding Compliance to Corporate Governance requirements are part of this Annual Report.

14. Related Party Transactions

All Related Party Transactions that were entered during the financial year were on an arm's length basis and in the ordinary course of business and is in compliance with the applicable provisions of the Act and the Listing Regulations. There were no materially significant Related Party Transactions made by the Company during the year that required shareholders' approval under Regulation 23 of the Listing Regulations.

None of the transactions entered with related parties under the scope of Section 188(1) of the Act. Details of transactions with related parties as required under Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are provided in Annexure - B in Form AOC-2 and forms part of this Report.

15. 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 Parthasarathy of M/s Jayashree Parthasarathy & Co, a Company Secretary-in-Practice, was appointed to undertake the Secretarial Audit. The Report of the Secretarial Auditor for the year ended March 31, 2019 is attached to the Directors' Report at page No. 43.

16. Prevention of Sexual Harassment

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

One (1) complaint was received by the local ICC during the year under review, the same has been redressed to the satisfaction of the complainant.

17. Vigil Mechanism

Your Company has established a "Vigil Mechanism" for its employees and Directors, enabling them to report any concerns of unethical behavior, 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. The Company conducts 'Policies Awareness Campaign' regularly for its employees at its various centers, and the WBP features in these campaigns.

18. Others

There are no loans, guarantees and investments made by us u/s 186 of the Companies Act, 2013 during the year under review. Your Company has neither accepted nor renewed any deposit during the year under review.

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

The Unclaimed Dividend in respect to the financial year 2011-12 is due for remittance to Investors' Education & Protection Fund (IEPF) on August 29, 2019 in terms of Section 125 of the Companies Act, 2013.

There are no material changes and commitments affecting the Company's financial position between the end of the financial year to which this financial statement relates and the date of this report.

Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has during the year transferred 26,784 equity shares pertaining to those shareholders who have not claimed their dividend for 7 consecutive years since 2011, to the IEPF account on October 30, 2018. So far, the Company has transferred 281,010 equity shares to the IEPF account.

19. Auditors

M/s BSR & Co. LLP, Chartered Accountants, the statutory auditors of the company have been appointed at the 28th Annual General meeting held on July 27, 2017 for a period of 5 years from the conclusion of 28th Annual General Meeting up to the conclusion of the 33rd Annual General meeting to be held in the year 2022.

20. Acknowledgements

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

For and on behalf of the Board

N. G. Subramaniam
Chairman

Bengaluru, April 24, 2019

ANNEXURE "A" 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

Prevention of the wasteful use of natural resources, particularly concerning the emission of greenhouse gases, consumption of water and energy, and the management of waste and hazardous materials have been the key enablers in our journey of environmental sustainability. Few of our initiatives towards reducing negative environmental impact include deploying mass transport for our employees through an arrangement with Bengaluru Metropolitan Transport Corporation (BMTC) for buses.

We have invested in technology to monitor and control the power consumption of ACs and other related equipment, use of energy efficient light bulbs, using technology for switching off computer monitors, motion sensors for lighting controls, etc. to conserve energy.

Our emissions and waste generated are well within limits prescribed by the State Pollution Control Board.

As a Tata group company, ensuring an appropriate and conducive Office environment and employee safety is paramount to us. We have instituted a comprehensive safety policy and procedures to govern the same. We regularly train employees and monitor various safety measures to ensure a safe working environment.

2. Technology absorption, adaption, and innovation

Your Company undertakes various learning and development initiatives to build critical organizational capabilities to its employees. These aim to cross-skill resources across BUs on a need basis, training on new methodologies and developing leadership capabilities at various levels.

These programs also facilitate training and preparing 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 the 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 1.37% 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 2018-19 are given below:

- i. Capital : Nil
- ii. Recurring : ₹ 22.54 crores
- iii. Total : ₹ 22.54 crores
- iv. Total R & D expenditure as a total percentage of turnover: 1.37%

3. Foreign Exchange earnings and outgo

Export revenue constituted 87% of the total revenue in financial year 2018-19

(₹ In Crores)

Foreign exchange earnings	1407.96
CIF Value of imports	40.12
Expenditure in foreign currency	475.88

For and on behalf of the Board

N. G. Subramaniam
Chairman

Bengaluru, April 24, 2019

ANNEXURE "B" TO THE DIRECTORS REPORT

Form No. AOC-2

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

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

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

Tata Elxsi Limited (the Company) has not entered into any contract/arrangement/transaction with its related parties which are not in ordinary course of business or at arm's length during the financial year 2018-19.

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

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

- (a) Name(s) of the related party and nature of relationship: Not Applicable
- (b) Nature of contracts/arrangements/transactions: Not Applicable
- (c) Duration of the contracts/arrangements/transactions: Not Applicable
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
- (e) Date(s) of approval by the Board, if any: Not Applicable
- (f) Amount paid as advances, if any: Not Applicable

For and on behalf of the Board

N. G. Subramaniam
Chairman

Bengaluru, April 24, 2019

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 in 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 March 31, 2019.

Madhukar Dev
Managing Director

Bengaluru, April 24, 2019

ANNEXURE "C" TO THE DIRECTORS REPORT

BUSINESS RESPONSIBILITY REPORT [Regulation 34(2) (f)]

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company: L85110KA1989PLC009968
2. Name of the Company: Tata Elxsi Limited
3. Registered address: ITPB Road, Whitefield, Bengaluru 560048, India
4. Website: www.tataelxsi.com
5. E-mail Id: investors@tataelxsi.com
6. Financial Year reported: April 1, 2018 to March 31, 2019
7. Sector(s) that the Company is engaged in (industrial activity code-wise): 620
8. List three key products/services that the Company manufactures/provides (as in balance sheet):
 - Software Development & Services
 - o Technology consulting, new product design, development, and testing services
 - o Consumer Insights & Strategy, Visual Design & Branding, Product & Packaging design, User Experience design, Service Experience Design & Transportation Design
 - o High-end content and 3D Animation services
 - Systems Integration & Support
 - o Implement and integrate complete systems and solutions for High-Performance Computing, CAD/CAM/ CAE/PLM, Broadcast, Virtual Reality, Storage, and Disaster Recovery
 - o Professional Services for maintenance and support of IT infrastructure in India and overseas
9. Total number of locations where business activity is undertaken by the Company
 - a) Number of International Locations (Provide details of major 5): Sales operations are in fourteen international locations including France, Germany, Japan, UAE, UK, and USA.
 - b) Number of National Locations: The Company is headquartered in Bengaluru, and operates through twelve design and development centers and six sales offices.
10. Markets served by the Company – The Company deliver design and engineering services, catering to both national and international markets.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR): ₹ 6,227.64 Lakhs
2. Total Turnover (INR): ₹ 164, 039.32 Lakhs
3. Total profit after taxes(INR): ₹ 28,996.89 Lakhs
4. Total Spending on Corporate Social Responsibility(CSR) as percentage of profit after tax (%): Two (2)
5. List of activities in which expenditure in 4 above has been incurred: -

Description	Project Outlay (in ₹)
Shiksha, Niramay and Others	574.36 Lakhs (including ₹ 90.23 lakhs unspent amount pertaining to FY 18)

* Please refer to the CSR Report in Page No. 31 of this Annual Report

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies? No.
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s): Not Applicable.
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]: No.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

- a) Details of the Director/Director responsible for implementation of the BR policy/ policies

1. DIN Number: 00082103
2. Name: Mr. Madhukar Dev
3. Designation: Managing Director & Chief Executive Officer

- b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	-
2	Name	Mr. Sajiv Madhavan
3	Designation	Joint General Manager
4	Telephone number	+91 80 2297 9302
5	E-mail Id	sajiv@tataelxsi.co.in

2. Principle-wise (as per NVGs) BR Policy/policies

- (a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/ policies for...?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words) *	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director? #	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online? (http://www.tataelxsi.com/attachment/TATA-ELXSI-code-of-conduct.pdf)	Y	Y	Y	Y	Y	Y	Y	Y	Y

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
7	Has the policy been formally communicated to all relevant internal and external stakeholders? [§]	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

*Our BRR is formulated based on NVG guidelines on Social, Environmental and Economic Responsibilities of Business.

Tata Code of Conduct (TCoC) and CSR policy is approved by the Board of Directors and is monitored by the Managing Director.

\$The policies are accessible to the employees always and are available on the intranet. The policies that are relevant to other stakeholders are communicated to them, time-to-time.

3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company.

Annually

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company's Business Responsibility Report is a part of the Annual Report. It is also hosted on the company's website – <https://www.tataelxsi.com/investors/Policies/BRR1819.pdf>

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs /Others?

The Tata Code of Conduct that the Company has adopted is applicable to its employees, business partners and suppliers.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

No concerns/complaints were received relating to ethics, bribery and corruption from any of our stakeholders during 2018-19.

Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

- a) **Product Design:** Products designed by us have been awarded the I Mark (India Design Mark) which signifies 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 also work with leading FMCG and product companies in creating sustainable packaging design and environmentally friendly products that lowers carbon footprint and is recyclable and biodegradable.

- b) **Social Concerns:** We have developed, integrated point-of-care diagnostic device for Malaria and Sick cell detection. This solution identifies low level infections that currently go undetected and is targeted for emerging economies. It is an easy to use device and delivers accurate results at a very low cost, thus enabling affordable healthcare.
 - c) **Sustainable Transport:** In the automotive industry, we work with leading OEMs and suppliers in mechanical and electronic design for electric / hybrid vehicle, to help reduce pollution and fossil fuel consumption.
 - d) **Reduction of Carbon Emission:** We carry out research based on technology and trends on behalf of the customers that help in finding solutions for reduced carbon emission.
2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):
 - (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?
 - (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?
We work with our customers in developing these products and we function as an enabler for designing products that fulfill social or environmental concerns. Hence, we are not able to directly measure the resource use.
3. Does the company have procedures in place for sustainable sourcing (including transportation)?
 - (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.
The company emphasizes on sustainable procurement practices as much as possible. Suppliers are selected based on TCoC and are constantly evaluated against the same. All our suppliers conform to our norms on Code of Conduct, safety, ethics and other good practices.
4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?
 - (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?
The Company engages with multiple suppliers, local and international. Preference is always given to local suppliers. Proximity to the Company's location is one significant consideration for selection of suppliers. We also consolidate our imports from various ports to optimize on transport. Preference is given to MSME vendors. The Company also employs local service providers for housekeeping, security, gardening, maintenance and transport.
5. Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.
The Company has in place policies and guidelines to set a direction that addresses environmental protection. The company has systems and processes that take measures in up-keeping the environment and our specific actions include recharging ground water using rainwater, and effluent treatment and re-use of treated water for gardening. Our e-waste recycling process takes care of computers, monitors, computer accessories and other electronic office equipments and specialized agencies are hired to carry out the e-waste disposal. We encourage reduced use of printing papers and thus reduce the use of paper, wherever feasible. Our resource usage and processes enable optimal use of equipments and sharing or transferring of equipments based on their needs and utility.

Principle 3

1. Please indicate the Total number of employees: 6060
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis: 276 consultants
3. Please indicate the Number of permanent women employees: 1934
4. Please indicate the Number of permanent employees with disabilities: 8
5. Do you have an employee association that is recognized by management? No

6. What percentage of your permanent employees is members of this recognized employee association? Not applicable
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	The company does not employ child labour. There were no complaints relating to child labor, forced labor and involuntary labor	
2	Sexual harassment	01	Nil
3	Discriminatory employment	Nil	Nil

8. What percentage of your undermentioned employees were given safety & skill up- gradation training in the last year?
 - (a) Permanent Employees - 71.13%
 - (b) Permanent Women Employees – 84.26%
 - (c) Casual/Temporary/Contractual Employees – 31.43%
 - (d) Employees with Disabilities – Safety and skill upgradation training is an ongoing process in the company. This data is not separately maintained.

Principle 4

1. **Has the company mapped its internal and external stakeholders?**

Yes. The Company has mapped its stakeholders and they include, but are not limited to, shareholders, employees, customers, business partners, suppliers, and the wider communities that we serve.

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?**

The Company is an equal opportunity employer. It has policies instituted to prevent sexual harassment, aid safety of employees, mandate travel guidelines for women employees, obtain the voice of employees' opinions and grievances through employee touch base, periodic employee satisfaction surveys and code of conduct.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**

The Company engages with each of its stakeholders through multiple channels and includes engagement initiatives, feedback process, Code of Conduct briefings and investor meetings. Our CSR initiatives engage the disadvantaged, vulnerable and marginalized by promoting healthcare, socio-economic development and education.

Principle 5

1. **Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?**

The Company's TCoC covers its employees, contractors and extends to its suppliers.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

Our processes enable our stakeholders to voice their grievances and complaints. Dedicated emails are instituted and communicated to each of our stakeholders. Helpdesks are made available to our employees and SLAs put in place for timely closure. During this period, we have received 28 complaints from our investors all complaints stand resolved. There were no other complaints from any other stakeholders.

Principle 6

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others?**

The Company's Code of Conduct applies to its business partners, contractors and suppliers.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**

The Company strives for environmental sustainability and complies with all applicable laws and regulations, in all its services. It also seeks to prevent the wasteful use of natural resources and is committed to improving the environment, particularly about the emission of greenhouse gases, consumption of water and energy, and the management of waste and hazardous materials. A few examples are our initiatives on deployment of mass transport for our employees by getting into an arrangement with Bengaluru Metropolitan Transport Corporation for buses, procurement of star rated electric and electronic equipments and tree plantations inside and outside our premises. In our development process, our initiatives include adopting India Mark Design, mechanical and electronic design of electric/ hybrid vehicle and building RoHS compliance.

3. **Does the company identify and assess potential environmental risks?**

The nature of our business does not entail assets or processes with significant environmental footprints, and hence, the Company does not have a specific process to identify environmental risks. However, there are ongoing initiatives on energy, emissions and waste which is outlined in question 5 below. Our nature of work requires us to operate in workstations and hence office environment and safety is paramount to us. We have instituted safety policy and procedures to govern the same. We regularly train employees and monitor these to overcome hazards and threats. We take the help of external agencies to provide us with guidance for the upkeep of our process to industry standards.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

This is not applicable.

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.**

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 the 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 continuing education and awareness programmes among all employees on energy conservation measures that can be adopted at individual levels, to help conserve power and energy.

6. **Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/ SPCB for the financial year being reported?**

Yes, the emissions and waste generated by the Company are within the limits prescribed by Pollution Control Board.

7. **Number of show cause/ legal notices received from CPCB/SPCB which is pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

None

Principle 7

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

The Company is not a member of any trade and chamber or association.

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

No

Principle 8

- 1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

We have constituted a CSR committee for the purposes of recommending and monitoring the CSR initiatives of the Company. The Board on the recommendation of CSR Committee adopted a CSR Policy. 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.

Our flagship programmes are Shiksha and Niramay. The primary goal of Shiksha is to provide education and skill development, especially for the disadvantaged (underprivileged) groups/communities and the differently abled. Another goal is to promote cutting edge research in emerging technologies, to benefit the society. Through Niramay, we help the needy by providing financial support for life-saving treatments, extending quality medical care in slums, geriatric care for needy elderly ladies and palliative care for the terminally ill.

- 2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures /any other organization?**

The programmes / projects chosen are a mix of in-house, external and group level initiatives.

- 3. Have you done any impact assessment of your initiative?**

Assessments are carried out as a part of the planning and review process.

- 4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

The Company has spent an amount of ₹ 574.36 lakhs including ₹ 90.23 lakhs pertaining to FY 18 during this financial year. The programmes have been mainly directed towards education & research / skill development and healthcare.

- 5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

We work closely with professional institutions with proven track record that mediate these initiatives to ensure that the benefits are passed on to the target community. Examples of such institutions are Kidwai Memorial Institute of Oncology, Sri Jayadeva Hospital, Baptist Hospital, Nightingales Trust, RASA (Ramana Sunritya Aalaya), Indian Institute of Science, Vishranthi Trust and Karunashraya in Bangalore, Sree Chitra Tirunal Hospital in Trivandrum, Adyar Cancer Hospital and Hindu Mission Health Services in Chennai and KEM Hospital in Pune. Our association with FAEA (Foundation for Academic Excellence and Access) is for a national mission.

Principle 9

- 1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?**

The Company has a process of obtaining customer queries, complaints and satisfaction by means of periodic interactions, emails, dedicated relationship managers, established SLAs and escalation mechanisms. These processes help the Company to resolve any dissonance with our customers in a timely manner.

- 2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)**

Not Applicable

- 3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.**

There are no cases filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising, and/or anti-competitive behavior during the last five years.

- 4. Did your company carry out any consumer survey/ consumer satisfaction trends?**

The Company carries our periodic customer satisfaction surveys. They provide us an index of our customers' satisfaction levels along with qualitative feedback on our services.

ANNEXURE "D" TO DIRECTORS' REPORT

Annual Report on Corporate Social Responsibility (CSR)

[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.

Our CSR activities will be designed to:

- Serve – societal, local and national goals in all the locations where we operate.
- Create a significant and sustained impact on communities affected by our businesses.
- Provide opportunities for Tata employees to contribute to these efforts through volunteering

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:

Mr. Sudhakar Rao, Chairman (Independent Director)

Mrs. S. Gopinath, Member (Independent Director)

Mr. Madhukar Dev, Member (MD & CEO)

3. Average net profit of the Company for last three financial years: ₹ 24,206.39 lakhs

4. Prescribed CSR Expenditure (two percent of the amount as in Item No. 3 above) : ₹ 484.13 lakhs

5. Details of CSR spent during the financial year:

(a) Total amount to be spent for the financial year : ₹ 574.36 lakhs (Including ₹ 90.23 lakhs, unspent pertaining to FY 2017-18)

(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)
Sl. No.	CSR Project or Activity identified	Sector in which the project is covered	Projects or Programs 1) Local area or other 2) Specify the state and other districts where projects or programs was/ were undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub heads: 1) Direct expenditure on projects or programs 2) Overheads	Cumulative Expenditure up to the reporting period	Amount spent Direct or through implementing agency
1.	Providing Aid to Cancer Patients who could not afford the medical expenditure	Promotion of Health Care	Kidwai Memorial Institute of Oncology Bengaluru (Karnataka)	₹ 60.00 lakhs	Direct – ₹ 60.00 lakhs	₹ 150.00 lakhs	Direct- A sum of ₹ 50,000/- average per patient who does not have means to provide for the treatment. The impact is expected to aid at least 120 patients for FY19. Actual impact - 481 cases.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR Project or Activity identified	Sector in which the project is covered	Projects or Programs 1) Local area or other 2) Specify the state and other districts where projects or programs was/ were undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub heads: 1) Direct expenditure on projects or programs 2) Overheads	Cumulative Expenditure up to the reporting period	Amount spent Direct or through implementing agency
2.	Providing Aid to Heart Patients who could not afford the medical expenditure	Promotion of Health Care	Sri Jayadeva Institute of Cardiovascular Sciences and Research, Bengaluru (Karnataka)	₹ 60.00 lakhs	Direct- ₹ 60.00 lakhs	₹ 156.00 lakhs	Direct- A sum of ₹ 50,000/- average per patient who does not have means to provide for the treatment. The impact is expected to aid at least 120 patients for FY19. Actual impact 284 cases.
3.	Providing Aid to Heart and Neurology Patients who could not afford the medical expenditure	Promotion of Health Care	Sree Chitra Tirunal Institute for Medical Science & Technology (SCTIMST) under DST , Trivandrum (Kerala)	Rs. 60.00 lakhs	Direct- ₹ 60.00 lakhs	₹ 200.00 lakhs	Direct- A sum of ₹ 50,000/- average per patient who does not have means to provide for the treatment. The impact is expected to aid at least 120 patients for FY19. Actual impact 365 cases.
4.	Providing Aid to Heart, Cancer and Neurology Patients who could not afford the medical expenditure	Promotion of Health Care	Baptist Hospital, Bengaluru, Karnataka	₹ 50.00 lakhs	Direct - ₹ 50.00 lakhs	₹ 61 lakhs	Direct- ₹ 11 lakhs for medical treatment of patients at rate of average ₹ 50,000/- per patient who do not have means to provide for the treatment. The impact is expected to aid at least 22 patients during FY19. Actual impact 44 cases. Direct – ₹ 39 lakhs to Bangalore Baptist Hospital – Community Health Division to improve the health and well-being of women and children in Urban Slum of D J Halli, Bangalore. The intervention includes health needs in the area of basic medical, pediatric and obstetric. They also run a mobile clinic “ Smile on Wheels” which is equipped with basic laboratory and ECG facilities. Actual impact 2796 cases.
5.	Providing Hospital Equipment for Health care	Promotion of Health Care	Hindu Mission Health Services Chennai, Tamil Nadu	₹ 50.00 lakhs	Direct – ₹ 50.00 lakhs	₹ 50 Lakhs	Direct- Part financed the cost of Medical equipment required for expansion of their Hospital at Chennai, Tamil Nadu.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR Project or Activity identified	Sector in which the project is covered	Projects or Programs 1) Local area or other 2) Specify the state and other districts where projects or programs was/ were undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub heads: 1) Direct expenditure on projects or programs 2) Overheads	Cumulative Expenditure up to the reporting period	Amount spent Direct or through implementing agency
6.	Providing Aid to Cancer Patients those who could not afford the medical expenditure	Promotion of Health Care	Cancer Institute of Adyar, Chennai, Tamil Nadu	₹ 50.00 lakhs	Direct- ₹ 50.00 lakhs	₹ 50 lakhs	Direct- A sum of average ₹ 50,000/- per patient who does not have means to provide for the treatment. The impact is expected to aid at least 100 patients for FY19. Actual impact - 49 cases as on March 31, 2019.
7.	Providing Aid to Cancer, Heart & Neurology Patients who could not afford the Medical expenditure	Promotion of Health Care	King Edward memorial Hospital Pune(Maharashtra)	₹ 20.00 lakhs	Direct – ₹ 20.00 lakhs	₹ 40.00 lakhs	Direct- A sum of ₹ 50,000/- average per patient who does not have means to provide for the treatment. The impact is expected to aid at least 40 patients Actual impact - 37 cases as on March 31, 2019.
8.	Providing Health care, Nutrition, Counselling, livelihood etc. services to elderly destitute women.	Promotion of Health Care	Nightingales Medical Trust, Bengaluru, Karnataka		Direct- ₹ 14.03 lakhs	₹ 14.03 lakhs	Direct: Funded ₹ 14.03 lakhs to Nightingales Medical Trust for their requirement of an ambulance to their project " Sandhya Suraksha" – Home for Helpless Elderly Women for bringing them to the Home for Transit care and Home. The transit care services provide the missing elderly women with a safe place till they are reunited with their family. For the abandoned elderly women, the home will provide a new lease of life. With good nutrition, livelihood opportunities, social engagement and quality health treatment, elders will recover and will steadily enjoy better health. The talents of the elders would be utilized to run the day to day activities of the centre and would help to create belongingness and sense of dignity. The balance amount left after the procurement of Ambulance to be utilised for Medicine and Health care requirements of the elderly persons.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR Project or Activity identified	Sector in which the project is covered	Projects or Programs 1) Local area or other 2) Specify the state and other districts where projects or programs was/ were undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub heads: 1) Direct expenditure on projects or programs 2) Overheads	Cumulative Expenditure up to the reporting period	Amount spent Direct or through implementing agency
9.	Providing Aid to Cancer Patients those who could not afford the medical expenditure	Promotion of Health Care	V Care Foundation, Mumbai, Maharashtra	₹ 10.00 lakhs	Direct - ₹ 10.00 lakhs	₹ 10 lakhs	Direct- V Care Foundation works closely with Tata Memorial Hospital amongst others in Mumbai. Its core services include Counselling & Emotional Support, Financial Support, Palliative, Food & Nutritional Support and Child Care Support. Actual impact - 55 cases.
10.	Aid for undertaking research	Promotion of Education	Indian Institute of Science, Bengaluru, Karnataka	₹ 50.00 lakhs	Direct - ₹ 39.00 lakhs	₹ 39.00 lakhs	Visible Light Wireless Communications and Artificial Intelligence (AI)/ Machine Learning (ML) in Wireless Communications
11.	Education for ensuring employment	Promotion of Education	Pan India	₹ 21.00 lakhs	Direct- ₹ 21.00 lakhs	₹ 42 lakhs	Foundation for Academic Excellence and Access (FAEA) (Implementing Agency) - Contributed to support 30 (thirty) girl Students from SC/ST communities for Under Graduate education.
12.	Training to develop life skills, holistic empowerment, confidence building, problem solving skills, social interaction skills and physical training to individuals with special needs as well as to normal individuals.	Promotion of Education	Ramana Sunritya Aalaya (RASA), Bangalore, Karnataka	₹ 10.00 lakhs	Direct- ₹ 10.00 Lakhs	₹ 20.00 lakhs	Direct – Funded RASA to defray its Bangalore centre expenses for the calendar year 2019. RASA Bangalore center primarily deals with students with ADHD, Autism, Downs' Syndrome and Dyslexia. Actual impact - 30 cases.
13.	Providing Home, Medical and Education to destitute Children	Promotion of Education	Vishranthi Trust, Bengaluru, Karnataka	₹ 6.00 lakhs	Direct – ₹ 6.00 lakhs	₹ 6.00 lakhs	Direct – ₹ 6 lakhs towards provision of ₹ 60,000 per child per annum to provide a child food, accommodation, supplements, medical care at Vishranthi's Children's Home - a unique experiment in Orphan and Destitute care. Actual impact - 10 cases.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR Project or Activity identified	Sector in which the project is covered	Projects or Programs 1) Local area or other 2) Specify the state and other districts where projects or programs was/ were undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub heads: 1) Direct expenditure on projects or programs 2) Overheads	Cumulative Expenditure up to the reporting period	Amount spent Direct or through implementing agency
14.	Promotion of road Safety	Education (promotion of road safety)	Bengaluru (Karnataka)	₹ 10.00 lakhs	Direct – ₹ 9.73 lakhs	₹ 9.73 lakhs	Direct – The Company assisted the Traffic Police by reimbursing the salary of Traffic Wardens deployed in different road crossings for control of vehicular traffic and safe movement of pedestrians, ensuring road safety.
15.	Miscellaneous	Health care	Karunashraya - Bangalore Hospice Trust – a joint project of the Indian Cancer Society (Karnataka Chapter) and the Rotary Club of Bangalore Indiranagar, to provide free professional palliative care for advanced stage cancer patients who are beyond cure.	₹ 3.13 lakhs	Direct- ₹ 0.37 lakhs	₹ 0.37 lakhs	Direct - For purchase of palliative medicine for critically ill cancer patients
	TOTAL				₹ 460.13 lakhs		
16.	Allowable expenditure (overheads) towards personnel & administration expenses for CSR team			₹ 24.00 lakhs	Overheads- ₹ 24.00 lakhs		Apportioned compensation for CSR staff, travel expenses for CSR activities and the working hours utilized by Tata Elxsi personnel for supervision of the CSR activities.
	TOTAL (A)				₹ 484.13 lakhs		

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR Project or Activity identified	Sector in which the project is covered	Projects or Programs 1) Local area or other 2) Specify the state and other districts where projects or programs was/ were undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub heads: 1) Direct expenditure on projects or programs 2) Overheads	Cumulative Expenditure up to the reporting period	Amount spent Direct or through implementing agency
UTILISATION OF UNSPENT AMOUNT - 2017-18							
17.	Education of drivers on safe driving by way of an app driven software	Education (promotion of road safety)	Strive an initiative of Tata Community Initiatives Trust - Pan India	₹ 150 Lakhs	Direct – ₹ 90.10 Lakhs	₹ 150.10 Lakhs	The balance amount of ₹ 90.10 Lakhs (unspent committed amount) was disbursed in FY19. Strive is a vocational training initiative of Tata community Initiatives Trust. The project involves a unique app driven education program for drivers on safe driving and safe road behavior. This will be a certification program for the drivers. The project is expected to go live from May, 2019.
18.	Health care	Health care	Karunashraya - bangalore hospice trust – a joint project of the indian cancer society (karnataka chapter) and the rotary club of bangalore indiranagar, to provide free professional palliative care for advanced stage cancer patients who are beyond cure.		Direct- ₹ 0.13 Lakhs	₹ 0.13 Lakhs	Direct - for purchase of palliative medicine for critically ill cancer patients
	TOTAL (B)				₹ 90.23 Lakhs		
	TOTAL A + B				₹ 574.36Lakhs		

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

Madhukar Dev
Managing Director

Sudhakar Rao
Chairman, CSR Committee

Bengaluru, April 23, 2019

Form No. MGT -9
EXTRACT OF ANNUAL RETURN
as on the financial year ended 31st March 2019

[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:	Public Company having Share Capital
v) Address of the Registered office and Contact Details:	ITPB Road, Whitefield, Bengaluru-560048 Tel: 080 2297 9123 email: investors@tataelxsi.com website:www.tataelxsi.com
vi) Whether listed or unlisted Company (Yes/No):	Listed
vii) Name, Address and Contact details of Registrar and Share transfer Agents:	TSR DARASHAW LIMITED 6-10, Haji Moosa Patrawala Industrial Estate, #20 Dr. E. Moses Road, Mahalaxmi, Mumbai-400011, Tel: 022 6656 8484 email: csg-unit@tsrdarashaw.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

Sl. No.	Name and Description of the main products / services	NIC Code of the Product / Service	% to total turnover of the Company
1	Design and Development of Computer Hardware and Software	NA	96.63%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
-	NA	NA	NA	NA	NA

IV. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES
i) Category-wise Share Holding

	Category of shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2018				No. of Shares held at the end of the year 31.03.2019				
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
(a)	Individuals / Hindu Undivided Family	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Government / State Governments	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	27755264	0	27755264	44.57	27730264	0	27730264	44.53	-0.04
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A) (1)	27755264	0	27755264	44.57	27730264	0	27730264	44.53	-0.04
(2)	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A) (2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total Shareholding of Promoter and Promoter Group (A)	27755264	0	27755264	44.57	27730264	0	27730264	44.53	-0.04
(B)	Public Shareholding									
(1)	Institutions									
(a)	Mutual Funds / UTI	2895693	200	2895893	4.65	1695018	200	1695218	2.72	-1.93
(b)	Financial Institutions / Banks	228017	400	228417	0.37	366456	400	366856	0.59	0.22
(c)	Central Government / State Governments	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	772442	0	772442	1.24	272892	0	272892	0.44	-0.80
(f)	Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Foreign Financial Institutions	0	2300	2300	0.00	0	2300	2300	0.00	0.00
(j)	Foreign Portfolio Investors (Corporate)	5764502	0	5764502	9.26	5950698	0	5950698	9.56	0.30
(k)	Any Other Alternate Investment Funds	481965	0	481965	0.77	948263	0	948263	1.52	0.75
	Sub-Total (B) (1)	10142619	2900	10145519	16.29	9233327	2900	9236227	14.83	-1.46
(2)	Non-Institutions									
(a)	Bodies Corporate	2556113	5102	2561215	4.11	2751297	5725	2757022	4.43	0.31
(b)	Individuals -									
i	Individual shareholders holding nominal share capital upto ₹ 1 lakh	15703482	2380595	18084077	29.04	19673368	2065389	21738757	34.91	5.87
ii	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	3686849	0	3686849	5.92	720926	0	720926	1.16	-4.76
(c)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Any Other	0	0	0	0.00	0	0	0	0.00	0.00
i	Trusts	41316	0	41316	0.07	91044	0	91044	0.15	0.08
ii	Directors & Relatives	2200	0	2200	0.00	2200	0	2200	0.00	0.00
	Sub-total (B) (2)	21989960	2385697	24375657	39.14	23238835	2071114	25309949	40.64	1.50
	Total Public Shareholding (B) = (B)(1)+(B)(2)	32132579	2388597	34521176	55.43	32472162	2074014	34546176	55.47	0.04
	TOTAL (A)+(B)	59887843	2388597	62276440	100.00	60202426	2074014	62276440	100.00	
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL (A)+(B)+(C)	59887843	2388597	62276440	100.00	60202426	2074014	62276440	100.00	

ii) Share Holding of Promoters (Including promoter group)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2018			Shareholding at the end of the year 31.03.2019			% change in shareholding during the year
		No.of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No.of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Tata Sons Limited	26,295,264	42.22	0.00	26,295,264	42.22	0.00	0.00
2	Tata Investment Corporation Limited	1,460,000	2.34	0.00	1,435,000	2.30	0.00	-0.04
		27,755,264	44.57	0.00	27,730,264	44.53	0.00	-0.04

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

Sl. No.	Name of the Shareholder	Date	Reason	Shareholding		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	Tata Investment Corporation Limited*	01-Apr-2019	At the beginning of the year	1,460,000	2.34	1,460,000	2.34
		13-Feb-2019	Decrease	(17,829)	-0.03	1,442,171	2.32
		15-Feb-2019	Decrease	(7,171)	-0.01	1,435,000	2.30
		31-Mar-2019	At the end of the year	1,435,000	2.30	1,435,000	2.30

* part of the promoter group.

Note : Except for the above there is no change in the holding of the Promoter and/ or Promoter Group during FY 2018-19

iv) Shareholding Pattern of top ten shareholders (other than Directors,Promoters)

Sl. No.	Name of the Shareholder	No. of shares as on 01.04.2018	No. of shares as on 31.03.2019	Net Changes	% to Capital
1	J P Morgan Funds	1,779,741	800,311	-979,430	1.29
2	Avendus Enhanced Return Fund	361,050	685,790	324,740	1.10
3	Matthews India Fund	0	578,649	578,649	0.93
4	Motilal Oswal Midcap 100 Etf	683,516	547,039	-136,477	0.88
5	Acadian Emerging Markets Small Cap Equity Fund Llc	72,462	546,494	474,032	0.88
6	Tata Young Citizens Fund	607,000	342,000	-265,000	0.55

Sl. No.	Name of the Shareholder	No. of shares as on 01.04.2018	No. of shares as on 31.03.2019	Net Changes	% to Capital
7	Ishares Core Emerging Markets Mauritius Co	259,235	333,389	74,154	0.54
8	Chetan Jayantilal Shah	350,000	300,000	-50,000	0.48
9	Ups Group Trust	247,200	295,127	47,927	0.47
10	State Bank Of India	107,000	262,000	155,000	0.42
11	Sundaram Mutual Fund A/C Sundaram Long Term Micro Cap Tax Advantage Fund Series Iv	158,515	258,485	99,970	0.42
12	The Master Trust Bank Of Japan, Ltd As Trustee Of Jpm Brics5 Mother Fund	0	250,630	250,630	0.40
13	Slg International Opportunities,L.P	247,813	247,813	0	0.40
14	Emerging Markets Core Equity Portfolio (The Portfolio) Of Dfa Investment Dimensions Group Inc. (Dfaidg)	268,658	226,824	-41,834	0.36
15	Life Insurance Corporation Of India	772,442	172,892	-599,550	0.28
16	Kotak Equity Arbitrage Fund	299,200	134,800	-164,400	0.22
17	Lakshmi Capital Investments Limited	315,000	96,226	-218,774	0.15

*The shares of the Company are traded on daily basis and hence the datewise increase/decrease in shareholding is not indicated. Shareholding is consolidated based on permanent account number (PAN) of the shareholder

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

Sl. No.	Name of the Shareholder	Date	Reason	Shareholding		Cumulative Shareholding	
				No.of Shares	% of total Shares of the company	No.of Shares	% of total Shares of the company
1	Mr. Madhukar Rajendra Dev	1-4-2018	At the beginning of the year	2200	0.00	2200	0.00
			Increase/Decrease during the year	0	0.00	0	0.00
		31-3-2019	At the end of the year	2200	0.00	2200	0.00
2	Mr. G Vaidyanathan	1-4-2018	At the beginning of the year	104	0.00	104	0.00
			Increase/Decrease during the year	0	0.00	0	0.00
		31-3-2019	At the end of the year	104	0.00	104	0.00
3	Mr. Muralidharan H.V	1-4-2018	At the beginning of the year	100	0.00	100	0.00
			Increase/Decrease during the year	0	0.00	0	0.00
		31-3-2019	At the end of the year	100	0.00	100	0.00

V. INDEBTEDNESS

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

	Secured Loan excluding Deposits	Unsecured Loans	Deposits	Total 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
	Secured loan excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
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 MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Mr. Madhukar Dev (MD & CEO)	
		Amount (₹ in Lakhs)	Amount (₹ in Lakhs)
1	Gross Salary	313.90	313.90
	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	375.00	375.00
	as % of profit		
	others, specify		
5	Others, specify (Contributions to PF and super annuation)	34.34	34.34
	Total (A)	723.24	723.24
	Ceiling as per Act (5% of the profit calculated u/s 198 of the Companies Act, 2013)		2226.30

B. Remuneration to other Directors :

₹ In Lakhs

Sl. No.	Particulars of Remuneration	Mr. P. Mc Goldrick	Mrs. Shyamala Gopinath	Prof. M.S. Ananth	Mr.Sudhakar Rao	Mr. N.G. Subramaniam	Mr. Ankur Verma	Dr. Gopichand Katragadda*	Total Amount
1	Independent Directors								
	Fee for attending Board / Committee Meetings	2.25	2.40	1.65	1.95	NA	NA	NA	8.25
	Commission	92.00	116.00	69.00	75.00				352.00
	Others, Please Specify								
	Sub Total (1)								360.25
2	Other Non - Executive Directors								
	Fee for attending Board / Committee Meetings	NA	NA	NA	NA	1.05	0.30	0.30	1.65
	Commission					-		-	-
	Others, Please Specify								-
	Sub Total (2)								1.65
	Total (1) + (2)								361.90
	Total Managerial Remuneration (Commission)								352.00
	Overall Ceiling as per the Act(1% of the profit calculated u/s 198 of the Companies Act, 2013)								445.26

* Relinquished the office of Directorship of the Company w.e.f 13-07-2019.

C. Remuneration to KMPs other than MD / Manager / WTD :

SL. No.	Particulars of Remuneration	Mr. G. Vaidyanathan (Company Secretary)	Mr. H.V.Muralidharan (Chief Financial Officer)	Total
		Amount (₹ In Lakhs)	Amount (₹ In Lakhs)	Amount (₹ In Lakhs)
1	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	79.93	103.35	183.28
	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 (contributions to PF and Superannuation)	3.43	6.73	10.16
	Total	83.36	110.08	193.44

PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

There were no Penalties, Punishments or Compounding of Offences during the year ended March 31, 2019.

SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2019

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

TO THE MEMBERS OF TATA ELXSI LIMITED

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

Based on 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 us and the representations made by the Management, We, hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 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:

We have examined the books, papers, minutes' books, forms and returns filed and other records made available to us and maintained by Tata Elxsi Limited for the financial year ended on March 31, 2019 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, 2015
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; 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 and the Rules made thereunder.
 - (b) Policy relating to the Software Technology Park of India and its regulations
 - (c) The Indian Copyright Act, 1957
 - (d) The Patents Act, 1970
 - (e) The Trade Marks Act, 1999
 - (f) The Special Economic Zone Act 2005 & the rules made thereunder.
- (vii) Other Laws:
 - (a) The Shops and Establishment Act 1953
 - (b) The Water (Prevention and Control of Pollution) Act, 1974 & Rules there under
 - (c) The Sexual harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013
 - (d) The Payment of Bonus Act, 1965
 - (e) The Payment of Gratuity Act, 1972
 - (f) The Employees Provident Funds and Miscellaneous Provisions Act, 1952
 - (g) The Contract Labour (Regulations & Abolition) Act, 1970

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

- i. Secretarial Standards of The Institute of Company Secretary of India with respect to Board and General meeting
- ii. SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015.

During the period under review and as per the explanation and clarifications given to us 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.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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.

We, hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on March 31, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

We further report that as per the explanations given to us and the representations made by the Management and relied upon by us 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.

For Jayashree Parthasarathy & Co.
Company Secretaries

Jayashree Parthasarathy
Proprietrix,
FCS No. 4610; CP NO. 1988

Place: Bengaluru
Date: April 24, 2019

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 on even date is to be read along with this letter.

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

For Jayashree Parthasarathy & Co
Company Secretaries

Jayashree Parthasarathy
Proprietrix,
FCS No 4610; CP NO. 1988

Place: Bengaluru
Date: April 24, 2019

COMPLIANCE REPORT ON CORPORATE GOVERNANCE

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 with four Independent Directors and three Non-Independent Directors. The Chairman of the Company is Non-Executive, Non-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 under Regulation 26 (1) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, across all the companies in which they are Directors. Necessary disclosures regarding Committee positions have been made by the Directors. The Independent Directors are independent of the management and fulfill the requirements as stipulated in Section 149 (6) of the Companies Act, 2013 and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The composition of the Board of Directors as on March 31, 2019 is as follows:

1. Mr. N.G. Subramaniam – Chairman – Non Executive, Non Independent

Mr. N. Ganapathy Subramaniam is the Chairman (Non-Executive and Non-Independent) of Tata Elxsi Limited since November, 2014. He is also the Chief Operating Officer (COO) and Executive Director of Tata Consultancy Services (TCS) Limited since February 2017. Prior to taking over the COO's role he served as the Executive Vice President and Head of TCS Financial Solutions, a strategic business unit of TCS. Mr. Subramaniam brings in-depth knowledge about technology trends, systems and policies of leading global corporations, and international business. He actively participates in banking, technology and business forums in addition to specific knowledge streams in risk management and Six Sigma orientation.

The details of other directorship in listed companies of Mr. Subramaniam as on March 31, 2019 are as follows:

Sl.No	Name of the Company	Category of Directorship
1.	Tata Consultancy Services Limited	Chief Operating Officer and Executive Director

2. Mr. P McGoldrick – Non-Executive, Independent Director

Mr. P McGoldrick began his career with the Lawrence Livermore National Laboratory, where he worked primarily on defense-related projects including the Mirror Fusion Test Facility for which he was the chief computer architect. In 1981, McGoldrick joined the Tata group and honed his vision of applying technology to help manufacturers create better products, which led to the establishment of Tata Technologies. He was the Chief Executive Officer and Managing Director of Tata Technologies Limited till September 09, 2014.

As on March 31, 2019, Mr. P. McGoldrick does not hold directorship in other listed companies.

3. Mrs. S Gopinath – Non-Executive, Independent Director

Mrs. Shyamala Gopinath has vast experience in guiding and influencing the national policies in the diverse areas of financial sector regulation and supervision, development and regulation of financial markets, capital account management, management of government borrowings, forex reserves management, RBI accounts, and payment and settlement systems. Mrs. Gopinath holds a Master of Commerce degree and is a Certified Associate of Indian Institute of Bankers and has retired as Deputy Governor of Reserve Bank of India. She is also on the Board of other Listed and Unlisted companies.

COMPLIANCE REPORT ON CORPORATE GOVERNANCE (Contd.)

The details of directorship in other listed companies of Mrs. S Gopinath as on March 31, 2019 are as follows:

Sl. No	Name of the Company	Category of Directorship
1.	Colgate-Palmolive (India) Limited	Independent Director
2.	BASF India Limited	Independent Director
3.	HDFC Bank Limited	Independent Director, Chairperson

4. Prof. M.S.Ananth – Non-Executive, Independent Director

Prof. M S Ananth joined IIT Madras as a faculty member in 1972 and was the Director from 2001-2011. He made several landmark contributions during this time. He established the first university based Research Park in India, the IITM Research Park in 2010 to promote innovation and entrepreneurship. In just its first year of operation the IITM Research Park incubated several start-ups and produced over 50 patents.

Prof. Ananth is the only Vice Chancellor from India to have been invited to participate in the World Economic Forum as a member of the Global University Leaders Forum from 2007 to 2011. He was a Visiting Professor in IIT Kanpur and IISc Bangalore, Princeton University and University of Colorado (USA) and RWTH, Aachen (Germany) and a Visiting Scientist in Aspen Tech and in the National Institute of Standards and Technology (USA). He was a distinguished Visiting Professor in IIT Bombay. Prof. Ananth is a Gold medalist in Chemical Engineering and holds a Ph.D in the area of Molecular Thermodynamics from the University of Florida, USA.

As on March 31, 2019, Prof.M.S.Ananth does not hold directorship in other listed companies.

5. Mr. Sudhakar Rao – Non-Executive, Independent Director

Mr. Sudhakar Rao is a retired Indian Administrative Service (IAS) Officer belonging to the 1973 batch. He held various positions including Chairman & Managing Director of the Karnataka Urban Infrastructure development and Finance Corporation (KUIDFC); Principal Secretary - Finance; Principal Secretary - Home; Principal Secretary to the Chief Minister of Karnataka; Development Commissioner and was the Chief Secretary of Karnataka until retirement from government service on 30th September, 2009. Mr. Rao holds a Master's Degree in Economics from the Delhi School of Economics and a Master's Degree in Public Administration from the Kennedy School of Government, Harvard University.

He was conferred with the Kannada Rajyotsava Award, under the Public Service category by the Government of Karnataka on November 01, 2010.

The details of directorship in other listed companies of Mr. Sudhakar Rao as on March 31, 2019 are as follows:

Sl.No	Name of the Company	Category of Directorship
1.	Healthcare Global Enterprises Limited	Independent Director

6. Mr. Ankur Verma - Non-Executive, Non-Independent Director

Mr. Ankur Verma, a B.E. in Mechanical Engineering and PGDM from IIM, Calcutta has around 15 years of experience in Investment Banking, Capital Markets and Corporate Strategy. At present, Mr. Verma is the Senior Vice President, Chairman's Office at Tata Sons Limited. Previously, Mr. Verma was Managing Director (Investment Banking Division) in Bank of America Merrill Lynch and prior to that he was Group Manager & Head, Business Planning in Infosys Technologies Limited - Corporate Planning Group.

The details of directorship in other listed companies of Mr. Ankur Verma as on March 31, 2019 are as follows:

Sl.No	Name of the Company	Category of Directorship
1.	Tata Teleservices (Maharashtra) Limited	Non-Executive, Non-Independent Director

COMPLIANCE REPORT ON CORPORATE GOVERNANCE (Contd.)

7. Mr. Madhukar Dev, Managing Director

Mr. Madhukar Dev is the Managing Director of Tata Elxsi. He has over 30 years of industry experience, including 20 years in Sales & Marketing. He joined Tata Elxsi in 1991, and since then has held various positions in Sales & Marketing. He has been instrumental in nurturing the company's economic, professional and, most importantly, intellectual growth. Prior to joining Tata Elxsi, Madhukar has worked in industries spanning Information Technology, Power Electronics and Publishing where his work experience included roles in Field Sales, Product Management and Market Development.

Mr. Dev has a Post Graduate Degree in M.Sc Physics and an MBA from IIM, Bangalore.

As on March 31, 2019, Mr. Dev does not hold directorship in other listed companies.

Core Competencies

Tata Elxsi provides design and technology services for product engineering and solutions to select industries namely Automotive, Broadcast, Communications and Medical Electronics. The Board has, taking into consideration the Company's nature of business, core competencies, key characteristics, identified the following core skills/expertise/competencies as required in the context of its business(es) & sector(s) for it to function effectively and which are available with the Board.

- 1) Understanding of IT services business
- 2) Knowledge on key industry and technology trends
- 3) International business management and familiarity with global policies and regulations
- 4) Corporate Strategy
- 5) Risk management
- 6) Financial management
- 7) Governance and Compliance
- 8) Stakeholders management and
- 9) Performance management and evaluation

Performance evaluation of Board and Directors: The Company has laid down a process for evaluation of the Board and Committees of Board as also evaluation of the performance of each of the Directors. The evaluation is conducted and monitored by the Chairperson, Nomination & Remuneration Committee (NRC) in consultation with the members of the committee. Each of the Directors are given a self-assessment Questionnaire, covering degree of fulfillment of their responsibilities, Board structure and composition, Responsibilities of Committee, effectiveness of the Board process, information and functioning, Board culture and dynamics, quality of relationship between the Board and Management etc. The Chairperson, NRC on the basis of the feedback received from each of the Directors has one to one meeting with them. Thereafter, briefs 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 2018-19 as per Clause VII (1) of Schedule IV under Section 149 (8) of the Companies Act, 2013 was held on April 25, 2018 wherein the Independent Directors reviewed the performance of the Managing Director, Non-Independent Directors and other matters. The Independent Directors have confirmed that they satisfy the criteria of Independence as stipulated under Section 149 (6) of the Companies Act, 2013 and Regulation 16 (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Familiarisation: The Independent Directors immediately on appointment are issued a formal letter of appointment and a welcome docket outlining their Rights, Roles, Committee Positions and the Business overview of the Company, policies etc.

COMPLIANCE REPORT ON CORPORATE GOVERNANCE (Contd.)

The Chairman and Managing Director of the Company, brief the Director individually on the industry and businesses of the Company, prior to their appointment. At each of the Business plan meeting, normally held in the fourth quarter 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. During the year, the Annual Business Plan meeting was held on February 07, 2019. which included a session with the management team, wherein, the Directors were walked through the market of different Business units, the customers, the future prospects, emerging technologies etc. The future strategy of the Company was also discussed.

The Board has adopted a Governance guideline, 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. The familiarization program for the Independent Directors is available at <http://www.tataelxsi.com/company/board-of-directors.html>

Five Board Meetings were held during the year 2018-19 and the gap between two meetings did not exceed four months. The dates on which the Board Meetings held were April 26, 2018; July 25, 2018; October 08, 2018; January 08, 2019 and February 07, 2019. The necessary quorum was present at all the Board meetings. 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 Meetings attended during 2018-19	Whether attended AGM held on July 25, 2018	No. of Chairmanships/Directorships in other Boards/ Committees* of Companies**			
				Chairman/ Chairperson of the Board	Chairman/ Chairperson of the Committee	Member of the Board	Member of the Committee
Mr. N.G. Subramaniam [DIN 07006215]	Non Independent/ Non-Executive	5	Yes	-	-	1	-
Mr. P. McGoldrick [DIN 00407203]	Independent / Non-Executive	5	Yes	-	-	-	-
Mrs. Shyamala Gopinath [DIN 02362921]	Independent / Non-Executive	5	Yes	1	3	4	3
Dr. Gopichand Katragadda [DIN 02475721]^	Non Independent/ Non-Executive	1	No	-	-	3	2
Prof. M.S. Ananth [DIN 00482391]	Independent / Non-Executive	5	Yes	-	-	-	-
Mr. Sudhakar Rao [DIN 00267211]	Independent/ Non-Executive	5	Yes	-	2	3	1
Mr. Ankur Verma# [DIN: 07972892]	Non Independent/ Non-Executive	3	No	-	-	6	6
Mr. Madhukar Dev [DIN 00082103]	Non Independent/ Managing Director	5	Yes	-	-	-	-

* Only Audit and Stakeholders' Relationship Committees are considered.

** Excludes private/foreign/non-profit companies with charitable objects.

^ Dr. Gopichand Katragadda relinquished the office of Directorship of the Company w.e.f July 13, 2018. The Committee positions and Directorship of Dr. Katragadda has been ascertained as per the records available with the Company as on his date of relinquishment.

Mr. Ankur Verma was appointed as an Additional Director of the Company w.e.f August 01, 2018.

COMPLIANCE REPORT ON CORPORATE GOVERNANCE (Contd.)

None of the Non-Executive Directors hold any shares and/or convertible instruments in the company as at March 31, 2019.

None of the Directors are related to each other within the meaning of the term "relative" as per Section 2(77) of the Companies Act, 2013.

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 Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
 - 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 judgment 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, if any.
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 utilized 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;

COMPLIANCE REPORT ON CORPORATE GOVERNANCE (Contd.)

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. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing;
21. 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.
6. Statement of deviations:
 - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015.
 - (b) annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulation 32(7) of SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015.

The Audit Committee is also responsible for giving guidance and directions under the SEBI (Prohibition of Insider Trading) Regulations, 2015 and to review the report of the Compliance Officer with the provisions of these regulations at least once in a financial year and verify that the systems for internal control are adequate and are operating effectively.

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 2018-19. The dates on which the Audit Committee Meetings held were April 26, 2018; July 24, 2018; July 25, 2018, October 08, 2018; January 07, 2019 and January 08, 2019.

COMPLIANCE REPORT ON CORPORATE GOVERNANCE (Contd.)

The constitution of Audit Committee is in conformation with the requirements of Section 177 of the Companies Act, 2013 and also as per the requirements of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Sl. No.	Name of Members	Category	No. of Meetings attended during the year 2018-19
1	Mrs. Shyamala Gopinath, Chairperson	Independent / Non-Executive	6
2	Mr. Patrick McGoldrick	Independent / Non-Executive	6
3	Prof. M.S. Ananth	Independent / Non-Executive	6

The quorum as required under Regulation 18(2) of the Listing Regulations was maintained at all the meetings.

4. Nomination and Remuneration Committee

The Remuneration Committee which was 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 planning, evaluation of every Director. To recommend remuneration policy for the directors, KMP, executives and other employees of the Company.
6. To oversee familiarization 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 Independent Directors considering the special services and efforts rendered, including their attendance at the meetings and their Chairmanship of each of the meetings.

Other than sitting fees and commission on the net profits of the Company, no other remuneration is payable to the Non- Executive Directors for 2018-19.

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

Two Nomination and Remuneration Committee Meetings were held on April 26, 2018 and July 25, 2018 during the year 2018-19.

COMPLIANCE REPORT ON CORPORATE GOVERNANCE (Contd.)

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

Sl. No.	Name of Members	Category	No. of Meetings attended during the year 2018-19
1	Mrs. Shyamala Gopinath, Chairperson	Independent / Non-Executive	2
2	Mr. N.G. Subramaniam	Not Independent / Non-Executive	2
3	Mr. Patrick McGoldrick	Independent / Non-Executive	2

Details of remuneration for the year ended March 31, 2019

Non-executive Directors (NEDs):

Sl. No.	Name of the Non-Executive Director	Sitting Fees (₹)	Commission (₹)
1	Mr. N.G. Subramaniam	105,000	-
2	Mr. P. McGoldrick	225,000	92,00,000
3	Mrs. Shyamala Gopinath	240,000	1,16,00,000
4	Dr. Gopichand Katragadda	30,000	-
5	Prof. M.S. Ananth	165,000	69,00,000
6	Mr. Sudhakar Rao	195,000	75,00,000
7.	Mr. Ankur Verma	30,000	-

Managing Director:

Name	Salary (₹)	Commission (₹)	Contribution to Provident & other Funds (₹)	Other Allowances & Perquisites (₹)	Total (₹)
Mr. Madhukar Dev	1,27,19,172	3,75,00,000	34,34,180	1,86,70,579	7,23,23,931

The Board on the recommendation of the Nomination & Remuneration Committee adopted the Remuneration policy for Directors, Key Managerial Personnel (KMP) and other employees of the company. The Board has also adopted a policy on Board diversity. The said Policies are available at <http://www.tataelxsi.com/company/board-of-directors.html>.

5. Stakeholders' Relationship Committee

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

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company

Three Stakeholders' Relationship Committee (SRC) Meetings were held during the year 2018-19. The dates on which the Stakeholders' Relationship Committee Meetings held were April 26, 2018; October 09, 2018 and January 08, 2019.

COMPLIANCE REPORT ON CORPORATE GOVERNANCE (Contd.)

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

Sl. No.	Name of Members	Category	No. of Meetings attended during the year 2018-19
1	Mr. Sudhakar Rao, Chairman	Independent/ Non-Executive	3
2	Mr. Madhukar Dev [§]	Non-Independent / Executive	2
3	Dr. Gopichand Katragadda [^]	Non-Independent / Non-Executive	1

[§] Mr. Madhukar Dev was appointed as a member of the Committee w.e.f July 25, 2018

[^] Dr. Gopichand Katragadda ceased to be a member of the Committee w.e.f July 13, 2018:

Prof. M.S. Ananth (Independent Director) has been appointed as a member of the SRC w.e.f April 01, 2019.

Name, designation & address of the Compliance Officer:

Mr. G. Vaidyanathan

Company Secretary

Tata Elxsi Limited,

ITPB Road, Whitefield, Bengaluru – 560048.

Phone : +91-80-22979316

Fax : +91-80-28411474

E-mail : gvnathan@tataelxsi.co.in

Details of complaints received and redressed during 2018-19:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
0	28	28	0

Complaints/correspondences are usually dealt with within 15 days of receipt and are completely resolved, except in cases where litigation is involved.

Share transfer lodgements are processed within 15 days and returned, except in cases where litigations are involved. The following persons can also be contacted in case of investor grievances:

- a. Ms. Cauveri Sriram
e-mail: investors@tataelxsi.com
Phone: +91-080-2297 9166
Fax: +91-080-2841 1474
- b. TSR Darashaw Ltd.
e-mail: csg-unit@tsrdarashaw.com
Phone: +91-022-6656 8484
Fax: +91-022-6656 8494

6. Risk Management Committee

The Board has constituted a Risk Management Committee (RMC) in line with the provisions of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which 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.

COMPLIANCE REPORT ON CORPORATE GOVERNANCE (Contd.)

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. 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.
8. Review and monitor Cyber security measures.

Two Risk Management Committee (RMC) meetings were held on April 25, 2018 and October 09, 2018 during the year 2018-19.

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

Sl. No.	Name of Members	Category	No. of Meetings attended during the year 2018-19
1	Mr. Patrick McGoldrick, Chairman	Independent / Non-Executive	2
2	Mr. Sudhakar Rao	Independent / Non-Executive	2
3	Mr. Muralidharan H.V	Company Executive (CFO)	2

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 a Corporate Social Responsibility (CSR) Committee in line with the provisions of Section 135 of the Companies Act, 2013 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 2018-19. The dates on which the Corporate Social Responsibility (CSR) Meetings held were April 25, 2018, October 08, 2018 and October 16, 2018.

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

Sl. No.	Name of Members	Category	No. of Meetings attended during the year 2018-19
1	Mr. Sudhakar Rao, Chairman	Independent / Non-Executive	2
2	Mrs. S. Gopinath	Independent / Non-Executive	2
3	Mr. Madhukar Dev	Managing Director	2

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.

COMPLIANCE REPORT ON CORPORATE GOVERNANCE (Contd.)

8. General Body Meetings

Particulars about the last three Annual General Meetings (AGMs) of the Company are:

a) Location, date and time of Annual General Meetings held during the last 3 years:

Sl. No.	AGM Particulars	Date	Venue	Time
1.	29 th AGM in respect of the year 2017-18	July 25, 2018	St.John's Auditorium, John Nagar, Koramangala, Bengaluru- 560 034	12.30 p.m.
2	28 th AGM in respect of the year 2016-17	July 27, 2017	St.John's Auditorium, John Nagar, Koramangala, Bengaluru- 560 034	12.30 p.m.
3	27 th AGM in respect of the year 2015-16	July 26, 2016	St.John's Auditorium, John Nagar, Koramangala, Bengaluru- 560 034	12.30 p.m.

b) No Extra-Ordinary General Meeting of the shareholders was held during the financial year 2018- 19.

c) Special Resolutions passed in previous three Annual General Meetings:

- (i) At the Annual General Meeting held on July 25, 2018, no special resolution was passed.
- (ii) At the Annual General Meeting held on July 27, 2017, no special resolution was passed.
- (iii) At the 27th AGM held on July 26, 2016, a Special resolution for approval for payment of Commission to Non-Executive Directors, pursuant to provisions of section 197 of the Companies Act, 2013 was passed.

d) No Postal Ballot was conducted during the financial year 2018-19.

e) Procedure for Postal Ballot

In compliance with Schedule V Part C of the Listing Regulations and Section 108, 110 and other applicable provisions of the Companies Act, 2013, read with the related rules, the Company provides electronic voting facility to all its members, to enable them to cast their votes electronically. The Company engages the services of NSDL for the purpose of providing e-voting facility to all its members. The members have the option to vote either by physical ballot or e-voting.

The Company dispatches the postal ballot notices and forms to its members whose names appear on register of members / list of beneficiaries as on a cut-off date. The postal ballot notice is sent to members in electronic form to the e-mail addresses registered with their depository participant (in case of electronic shareholding) / the Company's registrar and share transfer agents (in case of physical shareholding).

The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules. Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date.

Members desiring to exercise their votes by physical ballot forms are requested to return the forms duly completed and signed, to the scrutinizer on or before the close of voting period. Members desiring to exercise their vote by electronic mode are requested to vote before close of business hours on the last date of e-voting.

The scrutinizer submits his report to the Chairman, after the completion of scrutiny, and the consolidated results of the voting by postal ballot are then announced by the Chairman / authorised officer. The results are also displayed on the website of the Company, www.tataelxsi.com besides being communicated to the stock exchanges, depository and registrar and share transfer agent. The date of declaration of the results by the Company is deemed to be the date of passing of the resolutions.

COMPLIANCE REPORT ON CORPORATE GOVERNANCE (Contd.)

- (i) Details of special resolution proposed to be conducted through postal ballot: None

9. Disclosures

- There are no materially significant Related Party Transactions during the year that have potential conflict with the interests of the Company at large. Transactions entered into with related parties during the financial year were in the ordinary course of business and at arm's length basis and were approved by the Audit Committee.

The Company has formulated a policy on Related Party Transactions and the same is available on company's website <http://www.tataelxsi.com/investors/tata-elxsi-policy-on-related-party-transactions.pdf>.

- 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;
- The guidelines/accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) and prescribed under Section 133 of the Companies Act, 2013 have been followed in the preparation of the financial statements of the Company.
- The Company has adopted a Whistle Blower Policy and has established the necessary mechanism in line with the requirements under the Companies Act, 2013, Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- a) For employees to report concerns about unethical behaviour;
- b) To establish a mechanism to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the integrity policy;
- c) The disclosure reported are addressed in the manner and within the time frames prescribed in the policy.
- d) To ensure that adequate safeguards are being provided to the Whistle blower against any victimization or vindictive practices like retaliation, threat or any adverse (direct or indirect) action on their employment.

The policy also ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

No personnel/person has been denied access to the Audit Committee.

- Your Company has comprehensive guidelines on Prohibition of Insider Trading and the Company has adopted the Tata Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices along with the Policy on Leak of Unpublished Price Sensitive Information and Policy on determination of legitimate purpose, as mandated by SEBI. The policies are available at <https://tataelxsi.com/investors/investor-relations.html>
- The Company has formulated a policy on determination of materiality of event /information as required under Regulation 30 (1) of Listing Regulations, 2015. The same is available on company's website at http://www.tataelxsi.com/investors/TEL_Policyonmaterialityofanevent.pdf
- The Company has complied with all mandatory requirements and has fulfilled the following discretionary requirements specified in Part E of Schedule II under Regulation 27 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:
- a. The statutory financial statements of the Company are unqualified.
 - b. The Internal Auditors of the Company make presentations to the Audit Committee on their reports.
- Volatility of exchange rates is a risk to the Company which is mitigated by way of forex options and forward covers.

COMPLIANCE REPORT ON CORPORATE GOVERNANCE (Contd.)

- None of the Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority. Refer to Page 44 for the certificate from Ms. Jayashree Parthasarathy, Practicing Company Secretary.
- ICRA has reaffirmed the long term rating at **[ICRA]AA (pronounced ICRA double A)** and short term rating at **[ICRA]A1+ (pronounced ICRA A one plus)** outstanding on the lines of credit of your company. Outlook on the long-term rating is **Stable**.
- The Company has paid a consolidated amount of Rs 55.80 lakhs as total fees for all services rendered by the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part of.
- The Company adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints under the above Act.

The details of complaints received and disposed during the year 2018-19 are as below:

- a. number of complaints filed during the financial year - 1
- b. number of complaints disposed of during the financial year - 1
- c. number of complaints pending as on end of the financial year - 0

10. 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.
- The quarterly, half-yearly and annual results are displayed on the Company's website www.tataelxsi.com and also disseminated through all the modes mentioned above. Financial Express (English daily) and Sanjevani (vernacular daily) are usually the papers in which the quarterly results are published.
- Your Company's Management Discussion & Analysis of the Business for the year ended March 31, 2019 forms part of the Directors' Report and is given under the section so captioned.
- The transcripts and audio of the Company's investors/analysts concalls are available at:
<http://www.tataelxsi.com/investors/investor-relations.html>.

11. General Shareholders Information

Sl. No.	Salient Items of Interest	Particulars
i.	AGM Date, Time, and Venue	July 17, 2019, Wednesday at 12:30 pm at St. John's Auditorium, John Nagar, Koramangala, Bengaluru - 560 034, Karnataka
ii.	Financial Calendar	April 24, 2019 – Q4 & FY18-19 Results
		July 17, 2019– Q1 Results & AGM
		October 25, 2019 – Q2 Results
		January 9, 2020 – Q3 Results
iii.	Date of Book Closure	July 10, 2019 to July 17, 2019 (both days inclusive)
iv.	Dividend Payment Date	On and after July 17, 2019

Sl. No.	Salient Items of Interest	Particulars
v.	Listing on Stock Exchanges	<p>Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001, India Tel. : +91-22-22721234 Fax : +91-22-22722041</p> <p>The National Stock Exchange of India Limited Exchange Plaza Plot No.C/1, G Block Bandra-Kurla Complex Bandra (East) Mumbai – 400 051, India Tel. : +91-22-26598100 Fax : +91-22-26598237 The listing fee has been paid to BSE & NSE for the FY 2018-19.</p>
vi.	Stock Code	Bombay Stock Exchange Ltd.: 500408; National Stock Exchange Ltd.: TATAELXSI
vii.	Registrar & Share transfer Agent	TSR Darashaw Limited, 6-10, Haji Moosa Patrawala Ind. Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai – 400 011
viii.	Share Transfer System	<p>Shares lodged in physical form with the Company/its Registrars & Share Transfer Agents are processed and returned, duly transferred within 15 days normally, except in cases where litigation is involved.</p> <p>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.</p>
ix.	Dematerialisation of shares and liquidity	6,02,02,426 shares were held in dematerialised mode, as at March 31, 2019. The Company's equity shares are actively traded on BSE and NSE.
x.	Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity	There are no outstanding instruments and hence there will be no dilution of the equity.
xi.	Development Centre Locations	<p>Your Company's software development centers are located at the following addresses:</p> <ol style="list-style-type: none"> ITPB Road, Whitefield, Bengaluru – 560 048; Crescent-4, 9th Floor, Prestige Shantiniketan, Whitefield road, Bengaluru - 560 048 IITM Research Park, 4th Floor, Kanagam Road, Taramani, Chennai – 600 113; IG3 Infra Ltd SEZ, Pallavaram - Thoraipakkam 200 Feet Road, Thoraipakkam, Chennai 60009 Giga Space IT Park, No. 201, 2nd Floor, Alpha – 1m, Building, Viman Nagar, Pune – 411 014; Giga Space IT Park, Delta No.2, 2nd Floor, Viman Nagar, Pune – 411 014

Sl. No.	Salient Items of Interest	Particulars
		g. SEZ Tower IX, A Wing, Level – 2, Magarpatta City, Hadapsar, Pune – 411 013; h. Gayathri, 1 st Floor, Technopark Campus, Kariyavattom, Thiruvananthapuram– 695 581; i. Neyyar, Technopark Campus, Kariyavattom, Thiruvananthapuram – 695 581; j. Leela Infopark, 5 th Floor, Plot No. 2, Technopark Campus, Thiruvananthapuram– 695 581; k. No.204-N & Module No.204-S 4 th Floor Yamuna SEZ IT Building Phase III Campus, Technopark Thiruvananthapuram – 695581 l. Boston House, 2 nd Floor, No. 201, Suren Road, Gondivali, Village, Off Andheri- Kurla Road, Andheri East, Mumbai – 400 093
xii.	Address for correspondence	ITPB Road, Whitefield, Bengaluru – 560 048
xiii.	CIN	L85110KAI989PLC009968

Market Price Data: High/Low during each month of 2018-19 on the following exchanges:

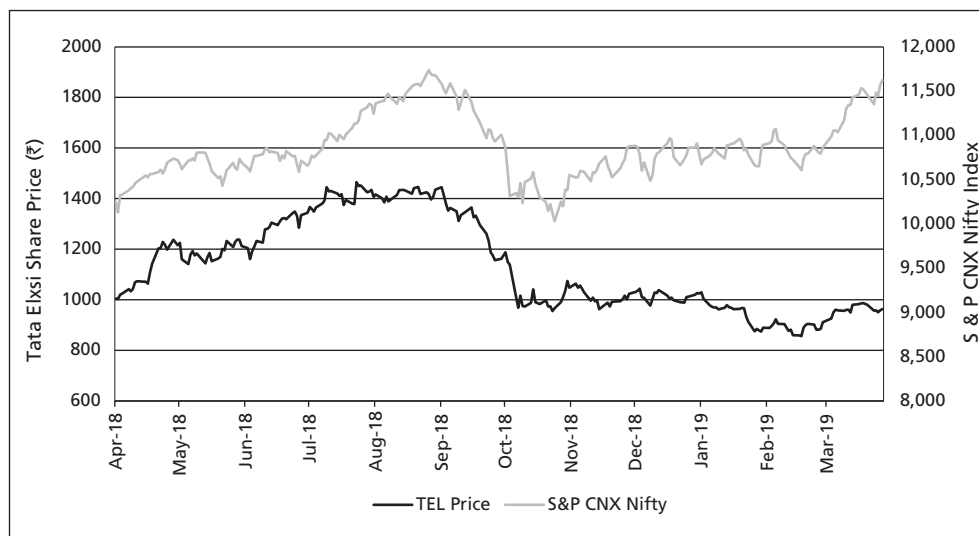
Month	BSE			NSE		
	High	Low	Vol (No. of shares)	High	Low	Vol (No. of shares)
Apr-18	1257.25	987.00	16,20,816	1,259.90	986.55	2,13,78,224
May-18	1257.65	1,120.55	11,47,391	1,256.90	1,118.80	1,66,09,185
Jun-18	1357.5	1,136.70	12,68,942	1,358.35	1,137.30	1,67,02,163
Jul-18	1491.75	1,323.00	17,09,681	1,490.90	1,321.85	1,99,01,219
Aug-18	1462.00	1,377.00	11,54,976	1,462.00	1,375.05	1,23,59,970
Sep-18	1470.00	1,130.30	8,78,009	1,470.00	1,131.10	1,15,15,835
Oct-18	1210.65	926.00	18,07,684	1,211.40	922.00	2,18,76,443
Nov-18	1089.90	952.00	11,17,502	1,090.00	952.70	1,52,77,781
Dec-18	1054.50	954.70	7,71,072	1,056.00	952.55	1,15,65,049
Jan-19	1041.95	865.00	15,11,102	1,042.00	866.00	1,95,02,875
Feb-19	928.65	826.00	8,68,947	929.90	830.10	1,14,84,128
Mar-19	1,010.90	888.15	14,85,630	1010.95	886.00	1,74,53,843

Distribution of Shareholding as on March 31, 2019

Range of Shares	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1 – 500	1,16,605	94.33	1,11,36,064	17.88
501 – 1000	4,155	3.36	31,07,648	4.99
1001- 2000	1,545	1.25	23,64,271	3.80
2001– 3000	435	0.35	11,00,000	1.77
3001– 4000	223	0.18	8,16,603	1.31
4001– 5000	137	0.11	6,36,563	1.02
5001– 10000	251	0.20	18,14,585	2.91
Over 10,000	261	0.21	4,13,00,106	66.32
Total	1,23,612	100.00	6,22,75,840	100.00

Categories of Shareholding as on March 31, 2019

Category	No. of Shareholders	No. of Shares held	% of Shareholding
Individuals	1,21,905	2,24,59,083	36.06
Trusts	22	91,044	0.15
Companies	1,533	43,45,033	6.98
Tata Group	5	2,77,30,264	44.53
Mutual Funds, FI's, FII's	146	76,48,216	12.28
Directors & Relatives	1	2,200	0.00
Total	1,23,612	6,22,75,840	100.00

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


INDEPENDENT AUDITOR'S CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

To the Members of Tata Elxsi Limited

This Certificate is issued in accordance with the terms of our engagement letter dated June 18, 2018.

Tata Elxsi Limited ('the Company') requires Independent Auditor's Certificate on Corporate Governance as stipulated in Regulations 17-27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period April 01, 2018 to March 31, 2019.

Managements' Responsibility

The preparation of the Corporate Governance report is the responsibility of the Management of the Company along with the maintenance of all its relevant supporting records and documents. The Management is responsible for ensuring that the Company complies with the requirements as stipulated in Regulations 17-27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations for the period April 01, 2018 to March 31, 2019. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the report and applying an appropriate basis of preparation.

Auditor's Responsibility

Pursuant to the requirements of the Listing Regulations, our responsibility is to state whether the Company has complied with the above said compliances of the conditions of Corporate Governance for the period April 01, 2018 to March 31, 2019.

We have examined the compliance of conditions of Corporate Governance by the Company for the period April 01, 2018 to March 31, 2019 as per Regulations 17-27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special

Purposes' issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

In our opinion and to the best of information and according to the explanations given to us and representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as specified in Regulations 17-27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable.

We state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restriction on use

This Certificate is issued solely for the purpose of complying with Regulations 17-27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations for the period April 01, 2018 to March 31, 2019 and may not be suitable for any other purpose.

for B S R & Co. LLP

Chartered Accountants

Firm registration number: 101248W/W-100022

Sanjay Sharma

Partner

Place: Bengaluru

Date: April 24, 2019

Membership number: 063980

INDEPENDENT AUDITOR'S REPORT

To The Members of Tata Elxsi Limited

Report on the Audit of the Ind AS Financial Statements

We have audited the Ind AS financial statements ("financial statements") of Tata Elxsi Limited ("the Company"), which comprise the balance sheet as at March 31, 2019, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter	How the matter was addressed in our audit
<p>Revenue recognition– Fixed price development contracts</p> <p>The Company inter alia engages in Fixed-price development contracts, where, revenue is recognized using the percentage of completion computed as per the input method based on management's estimate of contract costs (Refer Note 2.4 to the financial statements).</p> <p>We identified revenue recognition of fixed price development contracts as a Key Audit Matter considering –</p> <ul style="list-style-type: none"> • application of revenue recognition accounting standard is complex and involves a number of key judgments and estimates including estimating the future cost-to-completion of these contracts, which is used to determine the percentage of completion of the relevant performance obligation; • these contracts may involve onerous obligations on the Company that require critical estimates to be made by management; 	<p>Our audit procedures on revenue recognized from fixed price development contracts included</p> <ul style="list-style-type: none"> • Obtaining an understanding of the systems, processes and controls implemented by management for recording and calculating revenue and the associated contract assets, unearned and deferred revenue balances. • Involving Information technology ('IT') specialists to assess the design and operating effectiveness of key IT controls over: <ul style="list-style-type: none"> ○ IT environment in which the business systems operate, including access controls, program change controls, program development controls and IT operation controls; ○ Testing the IT controls over the completeness and accuracy of cost and revenue reports generated by the system; and ○ Testing the access and application controls pertaining to allocation of resources and budgeting systems which prevents the unauthorized changes to recording of costs incurred and controls relating to the estimation of contract costs required to complete the project.

The key audit matter	How the matter was addressed in our audit
<ul style="list-style-type: none"> at year-end a significant amount of work in progress (Contract assets and liabilities) related to these contracts is recognised on the balance sheet. 	<ul style="list-style-type: none"> On selected samples of contracts, we tested that the revenue recognized is in accordance with the accounting standard by – <ul style="list-style-type: none"> Evaluating the identification of performance obligation; Testing management’s calculation of the estimation of contract cost and onerous obligation, if any. We: observed that the estimates of cost to complete were reviewed and approved by appropriate levels of management; performed a retrospective review of costs incurred with estimated costs to identify significant variations and verify whether those variations have been considered in estimating the remaining costs to complete the contract; assessed the appropriateness of work in progress (contract assets) on balance sheet by evaluating the underlying documentation to identify possible delays in achieving milestones which may require change in estimated costs to complete the remaining performance obligations; and reviewed journal entries impacting the revenue and sales incentives for the period selected based on specified risk-based criteria.

Other Information

The Company’s management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company’s annual report, but does not include the financial statements and our auditors’ report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company’s management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
 - (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - (B) With respect to the other matters to be included in the Auditors' 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:
 - i. The Company has disclosed the impact of pending litigations as at March 31, 2019 on its financial position in its financial statements - Refer Note 33 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;
 - iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made in these financial statements since they do not pertain to the financial year ended March 31, 2019.
 - (C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

for **B S R & Co. LLP**
Chartered Accountants

Firm registration number: 101248W/W-100022

Sanjay Sharma
Partner

Membership number: 063980

Place: Bengaluru
Date: April 24, 2019

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

With reference to the Annexure A referred to in the Independent Auditor's Report to the members of the Company on the financial statements for the year ended March 31, 2019, we report the following:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets, by which all fixed assets are verified in a phased manner over a period of two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in fixed assets are held in the name of the Company.

In respect of immovable properties been taken on lease and disclosed as property, plant and equipment in the financial statements, the lease agreements are in the name of the Company.

- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The Company has maintained proper records of inventory. The discrepancies noticed on verification between the physical stock and the book records were not material.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company does not have any transactions to which the provisions of Section 185 and 186 apply. Accordingly, the provisions of clause 3(iv) of the order is not applicable to the Company.
- (v) The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder.
- (vi) According to the information and explanations given to us the Central Government has not prescribed the maintenance of cost records under Section 148 of the Act for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Goods and Services tax, duty of Customs, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Goods and Services tax, duty of Customs, Cess and other material statutory dues were in arrears as at March 31, 2019, for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of Income-tax or Sales tax or Service tax or Goods and Services tax or duty of Customs or Value added tax which have not been deposited by the Company on account of disputes, except for the following:

Name of Statute	Nature of Dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
The Finance Act, 1994	Service tax	782.26*	Financial Years 2006-07 to 2013-14	Customs Excise and Service Tax Appellate Tribunal
The Income Tax Act, 1961	Income tax	100.95	Financial Year 2008-09	Income Tax Appellate Tribunal
The Income Tax Act, 1961	Income Tax	0**	Financial Year 1999-00, 2000-01, 2001-02	Supreme Court

* Net of Rs 60 lakhs paid under protest

** Net of Rs 109.80 lakhs paid under protest

- (viii) In our opinion and according to the information and explanations given to us, the Company did not have any outstanding loans or borrowings from financial institutions, bank, government or debenture-holders. Accordingly, the paragraph 3(viii) of the order is not applicable to the Company.
- (ix) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) In our opinion and according to the information and explanations given to us and based on examination of the records of the Company, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) According to the information and explanations given to us, in our opinion, the Company is not a Nidhi Company as prescribed under Section 406 of the Act.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) According to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

for B S R & Co. LLP

Chartered Accountants

Firm registration number: 101248W/W-100022

Sanjay Sharma

Partner

Membership number: 063980

Place: Bengaluru

Date: April 24, 2019

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF TATA ELXSI LIMITED FOR THE PERIOD ENDED MARCH 31, 2019.

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

Opinion

We have audited the internal financial controls with reference to financial statements of Tata Elxsi Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

for B S R & Co. LLP
Chartered Accountants

Firm registration number: 101248W/W-100022

Place: Bengaluru
Date: April 24, 2019

Sanjay Sharma
Partner
Membership number: 063980

Balance Sheet

	Note	As at March 31, 2019	₹ lakhs As at March 31, 2018
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3 (i)	8,724.93	8,167.81
(b) Capital work-in-progress		44.75	212.64
(c) Intangible assets	3 (ii)	1,393.79	1,259.77
(d) Financial assets			
(i) Investments *	4	-	-
(ii) Other financial assets	6 (i)	1,514.17	1,422.49
(e) Deferred tax assets (net)	7	597.00	412.00
(f) Other assets	8 (i)	255.49	237.97
(g) Tax assets (net)	9	1,008.23	2,270.01
Total non-current assets		13,538.36	13,982.69
Current assets			
(a) Inventories	10	166.23	-
(b) Financial assets			
(i) Trade receivables	11	35,654.12	30,666.64
(ii) Cash and cash equivalents	12	5,371.04	8,321.01
(iii) Other bank balances	13	46,210.42	31,113.45
(iv) Loans	5	75.83	83.70
(v) Other financial assets	6 (ii)	6,397.13	7,488.55
(c) Other assets	8 (ii)	6,925.75	2,833.23
Total current assets		100,800.52	80,506.58
TOTAL ASSETS		114,338.88	94,489.27
EQUITY AND LIABILITIES			
Equity			
(a) Share capital	14	6,227.64	6,227.64
(b) Other equity	15	88,047.63	67,607.49
Total equity		94,275.27	73,835.13
Liabilities			
Non-current liabilities			
(a) Provisions	16 (i)	1,242.12	973.26
(b) Tax liabilities (net)	19 (i)	135.98	911.91
Total non-current liabilities		1,378.10	1,885.17
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	17	5,549.53	4,498.93
(ii) Other financial liabilities	18	4,535.48	5,718.43
(b) Other liabilities	20	6,145.23	5,848.71
(c) Provisions	16 (ii)	835.40	688.96
(d) Tax liabilities (net)	19 (ii)	1,619.87	2,013.94
Total current liabilities		18,685.51	18,768.97
TOTAL EQUITY AND LIABILITIES		114,338.88	94,489.27

* value is less than a lakh

See accompanying notes to the Ind AS financial statements

1 - 43

As per our report of even date attached

for **B S R & Co. LLP**

Chartered Accountants

Firm Registration No.: 101248W/W-100022

Sanjay Sharma

Partner

Membership No.: 063980

Bengaluru, April 24, 2019

For and on behalf of the Board

N G Subramaniam

Shyamala Gopinath

Madhukar Dev

Muralidharan H.V

G. Vaidyanathan

DIN: 07006215

DIN: 02362921

DIN: 00082103

Chairman

Director

Managing Director

Chief Financial Officer

Company Secretary

Bengaluru, April 24, 2019

Statement of Profit and Loss

		₹ lakhs	
	Note	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from operations	21	159,693.16	138,629.55
Other income (net)	22	4,346.16	4,324.81
Total income		164,039.32	142,954.36
EXPENSES			
Purchases	23	10,056.19	7,728.73
Changes in inventories of stock-in-trade - (increase) / decrease	24	(166.23)	-
Employee benefit expenses	25	84,258.08	74,874.31
Depreciation and amortisation expense	3	2,509.65	2,535.45
Other expenses	26	24,041.76	21,425.21
Total expenses		120,699.45	106,563.70
Profit before tax		43,339.87	36,390.66
Tax expense			
i) Current tax		14,367.80	12,508.03
ii) Deferred tax		(24.82)	(121.16)
Total tax expense		14,342.98	12,386.87
Profit for the year		28,996.89	24,003.79
Other comprehensive income			
(i) Items that will not be reclassified subsequently to profit or (loss)			
- Remeasurement of the defined benefit asset / (liability)		(458.40)	92.94
(ii) Income tax relating to items that will not be reclassified subsequently to profit or loss		160.18	(32.16)
Other comprehensive income / (loss) for the year, net of income tax		(298.22)	60.78
Total comprehensive income for the year		28,698.67	24,064.57
Earnings per equity share (₹)	28		
(a) Basic		46.56	38.54
(b) Diluted		46.56	38.54
See accompanying notes to the Ind AS financial statements	1 - 43		

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Sanjay Sharma
Partner
Membership No.: 063980

Bengaluru, April 24, 2019

For and on behalf of the Board

N G Subramaniam
Shyamala Gopinath
Madhukar Dev
Muralidharan H.V
G. Vaidyanathan

DIN: 07006215
DIN: 02362921
DIN: 00082103

Chairman
Director
Managing Director
Chief Financial Officer
Company Secretary

Bengaluru, April 24, 2019

Statement of Changes in Equity

A. EQUITY SHARE CAPITAL

₹ lakhs

Balance as at April 1, 2017	Changes in equity share capital during the year *	Balance as at March 31, 2018
3,113.82	3,113.82	6,227.64

₹ lakhs

Balance as at April 1, 2018	Changes in equity share capital during the year	Balance as at March 31, 2019
6,227.64	-	6,227.64

* Represents issue of bonus shares

B. OTHER EQUITY

₹ lakhs

Particulars	Reserves and Surplus		Items of other comprehensive income	Total
	General reserve	Retained earnings	Remeasurement of the defined benefit plans	
As at April 1, 2017	8,709.82	44,182.61	(239.33)	52,653.10
Profit for the year	-	24,003.79	-	24,003.79
Other comprehensive income (net of tax)	-	-	60.78	60.78
Total	8,709.82	68,186.40	(178.55)	76,717.67
Allotment of bonus equity share in the ratio of 1:1	(3,113.82)	-	-	(3,113.82)
Dividend and dividend distribution tax thereon paid	-	(5,996.36)	-	(5,996.36)
Transfer of profits of the year to general reserve	1,000.00	(1,000.00)	-	-
As at March 31, 2018	6,596.00	61,190.04	(178.55)	67,607.49
As at April 1, 2018	6,596.00	61,190.04	(178.55)	67,607.49
Profit for the year	-	28,996.89	-	28,996.89
Other comprehensive income (net of tax)	-	-	(298.22)	(298.22)
Total	6,596.00	90,186.93	(476.77)	96,306.16
Dividend and dividend distribution tax thereon paid	-	(8,258.53)	-	(8,258.53)
Transfer of profits of the year to general reserve	1,000.00	(1,000.00)	-	-
As at March 31, 2019	7,596.00	80,928.40	(476.77)	88,047.63

See accompanying notes to the Ind AS financial statements 1 - 43

As per our report of even date attached

 for **B S R & Co. LLP**

Chartered Accountants

Firm Registration No.: 101248W/W-100022

For and on behalf of the Board

Sanjay Sharma

Partner

Membership No.: 063980

Bengaluru, April 24, 2019

N G Subramaniam
Shyamala Gopinath
Madhukar Dev
Muralidharan H.V
G. Vaidyanathan

DIN: 07006215

DIN: 02362921

DIN: 00082103

Chairman
Director
Managing Director
Chief Financial Officer
Company Secretary

Bengaluru, April 24, 2019

Statement of Cash Flow

	Year ended March 31, 2019	₹ lakhs Year ended March 31, 2018
A. Cash flows from operating activities		
Profit for the year	28,996.89	24,003.79
Adjustment for:		
Income tax expense recognised in profit and loss	14,342.98	12,386.87
Depreciation and amortisation	2,509.65	2,535.45
Interest income recognised in profit and loss	(2,840.74)	(1,695.98)
Bad debts written off	41.72	62.55
Provision for doubtful debts	16.18	30.22
Loss/(Profit) on sale of assets	(13.66)	3.35
Net (gain) / loss arising on financial assets mandatorily measured at fair value through profit and loss	(317.32)	155.15
Net unrealised exchange loss/(gains)	756.70	(671.13)
Operating profit before working capital changes	43,492.40	36,810.27
Movement in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Loans	7.87	(6.08)
Unbilled revenue	1,958.35	(2,512.78)
Other financial assets	(60.74)	(333.24)
Other assets	(4,208.19)	(1,046.07)
Inventories	(166.23)	-
Trade receivables	(5,581.31)	(5,783.34)
Adjustments for increase / (decrease) in operating liabilities:		
Provisions	415.30	(582.45)
Trade payables	1,225.69	(86.15)
Other financial liabilities	(1,150.32)	1,867.35
Other liabilities	(161.88)	2,733.50
Cash generated from operations	35,770.94	31,061.01
Income tax paid (net)	(14,276.02)	(11,354.59)
Cash generated by operating activities - (A)	21,494.92	19,706.42
B. Cash flows from investing activities		
Purchase of property, plant and equipment and intangibles	(3,151.56)	(1,179.73)
Proceeds from sale of property, plant and equipment and intangibles	16.67	0.42
Fixed deposit with banks having original maturity over 3 months ,net	(15,000.02)	(25,000.32)
Interest received	2,260.19	1,464.53
Cash used in investing activities - (B)	(15,874.72)	(24,715.10)
C. Cash flows from financing activities		
Dividend including dividend tax paid	(8,258.53)	(5,996.36)
Cash flow used in financing activities - (C)	(8,258.53)	(5,996.36)
Net (decrease) in cash and cash equivalents (A+B+C)	(2,638.33)	(11,005.04)
Cash and cash equivalents as at beginning of the year	8,321.01	19,092.64
Effects of exchange rate changes on the balances of cash and cash equivalents held in foreign currencies	(311.64)	233.41
Cash and cash equivalents as at end of the year (Refer note 12)	5,371.04	8,321.01
See the accompanying notes forming part of the financial statements		
1 - 43		

As per our report of even date attached

for **B S R & Co. LLP**

Chartered Accountants

Firm Registration No.: 101248W/W-100022

Sanjay Sharma

Partner

Membership No.: 063980

Bengaluru, April 24, 2019

For and on behalf of the Board

N G Subramaniam

Shyamala Gopinath

Madhukar Dev

Muralidharan H.V

G. Vaidyanathan

DIN: 07006215

DIN: 02362921

DIN: 00082103

Chairman

Director

Managing Director

Chief Financial Officer

Company Secretary

Bengaluru, April 24, 2019

Notes forming part of the financial statements

A. SIGNIFICANT ACCOUNTING POLICIES

1. Corporate information

The Company is a public limited company incorporated in India in the year 1989 and domiciled in India. The Company has its registered office in Bengaluru, Karnataka, India. It has its listings on the Bombay Stock Exchange and National Stock Exchange in India.

The Company provides product design and engineering services to the consumer electronics, communications & transportation industries and systems integration and support services for enterprise customers. It also provides digital content creation for media and entertainment industry.

The Company is headquartered in Bengaluru, and operates through delivery centers in Bengaluru, Chennai, Pune, Mumbai and Thiruvananthapuram.

The Company's operations are located in multiple cities in India, and in multiple international locations including USA, UK, France, Germany, Japan, Ireland, Netherlands, South Africa, Portugal, Canada, and Spain.

2. Basis of preparation of financial statements.

2.1 Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards ("Ind AS"), the provisions of the Companies Act, 2013 ("the Companies Act"), as applicable and guidelines issued by the Securities and Exchange Board of India ("SEBI"). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These financial statements were authorized for issue by the Board of Directors on April 24, 2019.

2.2 Basis of preparation and presentation

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All amounts included in the financial statements are reported in lakhs of Indian rupees except share and per share data, unless otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

2.3 Use of estimates and judgement

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of percentage of completion of contracts and recognition of probable loss, useful lives of property, plant and equipment, provision for income tax and valuation of deferred tax assets, provision for warranty and other provisions and contingent liabilities.

Notes forming part of the financial statements

Percentage of completion of contracts

The Company uses the percentage of completion method using the input (cost expended) method to measure progress towards completion in respect of fixed price contracts. Percentage of completion method relies on estimates of total expected contract revenue and costs. This method is followed where reasonable dependable estimate of the revenue and costs applicable to various elements of the contract can be made. Key factors reviewed to estimate the future costs to complete include estimates of future manpower costs and productivity efficiency. These estimates are assessed continually during the term of the contracts and the recognized revenue and profit are subject to revision as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable.

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Provision for income tax and valuation of deferred tax assets

The Company's major tax jurisdictions are India, United Kingdom (UK) and Japan. The Company also files tax returns in other foreign jurisdictions. Significant judgment is involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions.

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note 2.9.

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.

Provisions (other than provision for warranty) and contingent liabilities

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognized nor disclosed in the financial statements. (Refer Note 33)

2.4 Revenue recognition

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. Refer Note No 2.4 significant accounting policies- Revenue recognition in the Annual report of the Company for the year ended March 31, 2018. The adoption of the standard did not have any material impact to the financial statements of the Company.

Notes forming part of the financial statements

- Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.
- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, etc.
- Revenue related to fixed price maintenance and support services contracts where the Company is ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract cost incurred determining the degree of completion of the performance obligation. The contract cost used in computing the revenues include cost of fulfilling warranty obligations.
- Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method .
- Revenue from the sale of distinct third party hardware is recognised at the point in time when control is transferred to the customer.
- The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

In accordance with Ind AS 37, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by geography and nature of services.

Use of significant judgements in revenue recognition

- The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Notes forming part of the financial statements

- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.
- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.
- Contract fulfilment costs are generally expensed as incurred except for certain software licence costs which meet the criteria for capitalisation. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered(refer note 8)

2.5 Other income

Interest income is accounted for using the effective interest method.

Export benefits are accounted for, in the year of exports, based on eligibility and when there is no uncertainty in receiving the same.

Foreign currency gains and losses are reported on net basis.

2.6 Leases

Finance lease

Assets taken on lease by the Company in its capacity as lessee, where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalized at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognized 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.

Operating lease

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vests with the lessor, are recognized as operating lease. Operating lease payments are recognized on a straight line basis over the lease term, unless the lease agreement explicitly states that increase is on account of inflation in the statement of profit and loss.

Notes forming part of the financial statements

2.7 Foreign currency:

The functional currency of the Company is Indian Rupee.

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognized in the statement of profit and loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not translated.

2.8 Taxes on income

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognized in statement of profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

2.9 Current income taxes

The current income tax expense includes income taxes payable by the Company and its branches in India and overseas. The current tax payable by the Company in India is Indian income tax payable for their worldwide income after taking credit for tax relief available for export operations in Special Economic Zones (SEZs).

Current income tax payable by overseas branches of the Company is computed in accordance with the tax laws applicable in the jurisdiction in which the respective branch operates. The taxes paid are generally available for set off against the Indian income tax liability of the Company's worldwide income.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

Deferred income taxes

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

For operations carried out in SEZs, deferred tax assets or liabilities, if any, have been established for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Notes forming part of the financial statements

Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

2.10 Inventories

Inventory comprise of computer systems and software, components and spares.

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.

2.11 Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short- term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in profit or loss.

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Notes forming part of the financial statements

Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

2.12 Property, plant and equipment

Property, plant and equipment are stated at costs less accumulated depreciation (other than freehold land) and impairment loss, if any.

The cost includes purchase price net of any trade discounts and rebates, any import duties and other taxes (other than 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 capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Depreciation is provided for property, plant and equipment on the straight-line basis over the estimated useful life from the date the assets are ready for intended use. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

* The Management believes that the useful lives as given below and in note 2.13, best represents the period over which the management expects to use these assets based on an internal assessment and technical evaluation where necessary. Hence, the useful lives of some of these assets is different from the useful lives as prescribed under part C of Schedule II of the Act.

The estimated useful lives are as mentioned below:

Type of asset	Method	Useful lives
Buildings	Straight line	30 years *
Plant and equipment	Straight line	6 years *
Computer equipment	Straight line	3 to 6 years
Air conditioners	Straight line	6 years *
Vehicles	Straight line	8 years

Notes forming part of the financial statements

Type of asset	Method	Useful lives
Office equipment	Straight line	5 years
Electrical installations	Straight line	6 years *
Furniture and fixtures	Straight line	6 years *

Leasehold improvements are depreciated over the lower of the lease term and their useful lives.

Capital work-in-progress:

Amount paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work-in-progress.

The capital work- in-progress is carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.13 Intangible assets

Intangible assets purchased are measured at cost as of the date of acquisition, as applicable, less accumulated amortization and accumulated impairment, if any.

Intangible assets are amortized on a straight line basis over their estimated useful lives from the date that they are available for use.

The estimated useful lives of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization period is revised to reflect the changed pattern, if any.

The estimated useful lives are as mentioned below:

Type of asset	Method	Useful lives
Technical Know-how	Straight line	3 years *
Computer Software	Straight line	6 years

Intangible assets under development.

Expenditure on research and development eligible for capitalization are carried as intangible assets under development where such assets are not yet ready for their intended use.

2.14. Employee benefits

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

Defined benefit plans

Gratuity is a defined benefit plan, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations, being carried out at the date of each statement of financial position. The retirement benefit obligations recognized in the statement of financial position represents the present value of the defined obligations reduced by the fair value of scheme assets. Any, asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company.

Defined contribution plans

Contributions to defined contribution plans like provident fund and superannuation, funds are recognized as expense when employees have rendered services entitling them to such benefits.

Notes forming part of the financial statements

Compensated absences:

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are stated as undiscounted liability at the balance sheet date. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are stated as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

2.15 Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management reporting 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".

2.16 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 period. 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.

2.17 Impairment

(i) Financial assets (other than a fair value)

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Notes forming part of the financial statements

(ii) Non-financial assets

Property, plant and equipment and Intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit and loss.

2.18 Operating cycle:

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

2.19 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the Company has not applied as they are effective from April 1, 2019:

Ind AS 116 - Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The standard allows for two methods of transition: the full retrospective approach, requires entities to retrospectively apply the new standard to each prior reporting period presented and the entities need to adjust equity at the beginning of the earliest comparative period presented, or the modified retrospective approach, under which the date of initial application of the new leases standard, lessees recognize the cumulative effect of initial application as an adjustment to the opening balance of retained earnings as of annual periods beginning on or after April 1, 2019.

The Company will adopt this standard using modified retrospective method effective April 1, 2019. Accordingly, the Company will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Company will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

On transition, the Company will be using the practical expedient provided the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application.

The Company is in the process of finalising changes to systems and processes to meet the accounting and reporting requirements of the standard.

Based on preliminary assessment, the Company does not expect a significant impact to opening retained earnings on adoption of Ind AS 116. There will be reclassification in the cash flow categories in the statement of cash flows.

Notes forming part of the financial statements

Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

This amendment clarifies that the Company shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this amendment. The amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which gives better clarity of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

Ind AS 109 – Financial instruments

The amendments to the above Ind AS relate to the existing requirements regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

Ind AS 19 – Employee benefit

The amendments to the above Ind AS clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments to the above Ind AS clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not currently have any long-term interests in associates and joint ventures.

Ind AS 103 – Business Combinations and Ind AS 111 - Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business.

Notes forming part of the financial statements

3.(i) Property, plant and equipment

Description of assets	Land - freehold	Land - leasehold	Buildings	Improvements to leasehold premises	Plant and equipment	Computer equipment	Furniture and fixtures	Office equipment	Electrical installations	Air conditioners	Vehicles	Total
₹ lakhs												
I. Gross carrying amount												
Balance as at April 1, 2018	929.90	49.96	3,865.56	451.18	42.76	4,273.13	640.23	1,082.48	375.11	339.86	80.11	12,130.28
Additions	-	-	40.75	300.31	114.01	1,625.76	136.47	229.91	73.44	67.90	-	2,588.55
Less: Disposals/Deletions	-	-	-	-	-	1.17	-	0.64	-	-	5.87	7.68
Balance as at March 31, 2019	929.90	49.96	3,906.31	751.49	156.77	5,897.72	776.70	1,311.75	448.55	407.76	74.24	14,711.15
II. Accumulated depreciation												
Balance as at April 1, 2018	-	6.80	308.69	202.29	16.21	2,530.27	220.43	386.84	136.85	132.74	21.35	3,962.47
Add: Depreciation and amortisation expense for the year	-	3.40	156.33	124.90	17.94	1,189.97	124.42	255.65	77.05	66.58	12.52	2,028.76
Less: Eliminated on disposal of assets	-	-	-	-	-	0.73	-	-	-	-	4.28	5.01
Balance as at March 31, 2019	-	10.20	465.02	327.19	34.15	3,719.51	344.85	642.49	213.90	199.32	29.59	5,986.22
III. Net carrying amount (I-II)	929.90	39.76	3,441.29	424.30	122.62	2,178.21	431.85	669.26	234.65	208.44	44.65	8,724.93
₹ lakhs												
Description of assets	Land - freehold	Land - leasehold	Buildings	Improvements to leasehold premises	Plant and equipment	Computer equipment	Furniture and fixtures	Office equipment	Electrical installations	Air conditioners	Vehicles	Total
₹ lakhs												
I. Gross carrying amount												
Balance as at April 1, 2017	929.90	49.96	3,864.84	437.68	40.16	3,723.19	598.66	805.58	363.52	339.86	66.91	11,220.26
Additions	-	-	0.72	13.50	2.60	550.25	41.74	279.99	11.59	-	13.20	913.59
Less: Disposals/Deletions	-	-	-	-	-	0.31	0.17	3.09	-	-	-	3.57
Balance as at March 31, 2018	929.90	49.96	3,865.56	451.18	42.76	4,273.13	640.23	1,082.48	375.11	339.86	80.11	12,130.28
II. Accumulated depreciation												
Balance as at April 1, 2017	-	3.40	152.48	102.60	8.03	1,312.91	98.60	173.93	63.89	66.44	10.02	1,992.30
Add: Depreciation and amortisation expense for the year	-	3.40	156.21	99.69	8.18	1,217.36	121.83	212.91	72.96	66.30	11.33	1,970.17
Less: Eliminated on disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2018	-	6.80	308.69	202.29	16.21	2,530.27	220.43	386.84	136.85	132.74	21.35	3,962.47
III. Net carrying amount (I-II)	929.90	43.16	3,556.87	248.89	26.55	1,742.86	419.80	695.64	238.26	207.12	58.76	8,167.81

Note: Leasehold land has been taken for lease period of 25 years and the Company has the option to acquire it at the end of lease term on an outright purchase basis by paying a nominal value to the lessor.

Notes forming part of the financial statements

3.(ii) Intangible assets

		₹ lakhs	
Description of assets	Computer software	Total	
I. Gross carrying amount			
Balance as at April 1, 2018	2,480.18	2,480.18	
Additions	615.25	615.25	
Less: Disposals/Deletions	0.34	0.34	
Balance as at March 31, 2019	3,095.09	3,095.09	
II. Accumulated amortisation			
Balance as at April 1, 2018	1,220.41	1,220.41	
Add: Amortisation expense for the year	480.89	480.89	
Less: Eliminated on disposal of assets	-	-	
Balance as at March 31, 2019	1,701.30	1,701.30	
III. Net carrying amount (I-II)	1,393.79	1,393.79	

		₹ lakhs	
Description of assets	Computer software	Total	
I. Gross carrying amount			
Balance as at April 1, 2017	2,209.69	2,209.69	
Additions	272.73	272.73	
Less: Disposals/Deletions	2.24	2.24	
Balance as at March 31, 2018	2,480.18	2,480.18	
II. Accumulated amortisation			
Balance as at April 1, 2017	657.17	657.17	
Add: Amortisation expense for the year	565.28	565.28	
Less: Eliminated on disposal of assets	2.04	2.04	
Balance as at March 31, 2018	1,220.41	1,220.41	
III. Net carrying amount (I-II)	1,259.77	1,259.77	

Notes forming part of the financial statements

	As at March 31, 2019	₹ lakhs As at March 31, 2018
4 INVESTMENTS		
Non-current		
Unquoted		
Investments in other entities *	-	-
(Refer note 38)		
	<u>-</u>	<u>-</u>
* value is less than a lakh		
5 LOANS		
Unsecured, considered good		
Current		
Loans to employees	75.83	83.70
	<u>75.83</u>	<u>83.70</u>
6 OTHER FINANCIAL ASSETS		
(i) Non-current		
Security deposits		
Considered good	1,514.17	1,422.49
Considered doubtful	15.98	15.98
	<u>1,530.15</u>	<u>1,438.47</u>
Less: provision for doubtful deposits	15.98	15.98
	<u>1,514.17</u>	<u>1,422.49</u>
(ii) Current financial assets		
a) Fair value of foreign exchange currency option contracts	343.17	25.85
b) Interest receivable	963.86	412.98
c) Unbilled receivables (March 31, 2018: Unbilled revenue)	5,089.10	7,047.45
d) Security deposits	1.00	2.27
	<u>6,397.13</u>	<u>7,488.55</u>
7 DEFERRED TAX ASSETS (NET)		
Deferred tax assets / (liabilities) in relation to:		
a) Property, plant and equipment and intangible assets	(105.73)	(236.55)
b) Provision for employee benefits	602.37	553.84
c) Provision for doubtful receivables	100.36	94.71
	<u>597.00</u>	<u>412.00</u>

Notes forming part of the financial statements

		₹ lakhs
	As at March 31, 2019	As at March 31, 2018
8 OTHER ASSETS		
(i) Non-current		
Considered good		
a) Capital advances	0.81	14.74
b) Prepaid expenses	254.68	223.23
	<u>255.49</u>	<u>237.97</u>
(ii) Current		
Considered good		
a) Prepaid expenses	820.35	1,059.53
b) Indirect taxes recoverable	993.23	291.46
c) Advance to suppliers	549.57	210.30
d) Claims receivable	1,394.98	1,018.19
e) Contract assets	2,873.82	-
f) Contract fulfilment cost	187.33	-
g) Advance to employees	106.47	253.75
	<u>6,925.75</u>	<u>2,833.23</u>
9 TAX ASSETS (NET)		
Non-current		
- Tax deducted at source/advance tax paid (net of provision)	1,008.23	2,270.01
	<u>1,008.23</u>	<u>2,270.01</u>
10 INVENTORIES		
(At lower of cost or net realisable value)		
Components and spares - for trading	166.23	-
Total	<u>166.23</u>	<u>-</u>
11 TRADE RECEIVABLES		
Current		
Unsecured		
(a) Considered good	35,654.12	30,666.64
(b) Considered doubtful	271.22	255.04
	35,925.34	30,921.68
Less: Provision for impairment	271.22	255.04
	<u>35,654.12</u>	<u>30,666.64</u>

Above balances of trade receivables include balances with related parties (Refer note 31)

Notes forming part of the financial statements

		As at March 31, 2019	₹ lakhs As at March 31, 2018
12 CASH AND CASH EQUIVALENTS			
Cash on hand		0.39	0.90
Cheques on hand		6.17	-
Funds-in-transit		-	1,508.50
Balances with banks			
i) in current accounts		5,364.48	6,811.61
		<u>5,371.04</u>	<u>8,321.01</u>
13 OTHER BANK BALANCES			
a) in earmarked accounts			
- Unclaimed dividends account		510.08	413.13
b) Fixed deposits with original maturity greater than 3 months		45,700.34	30,700.32
		<u>46,210.42</u>	<u>31,113.45</u>
14 SHARE CAPITAL			
Authorised :			
70,000,000 equity shares of ₹ 10/- each			
(March 31, 2018: 70,000,000 equity shares of ₹ 10/- each)		<u>7,000.00</u>	<u>7,000.00</u>
Issued :			
62,303,840 equity shares of ₹ 10/- each			
(March 31, 2018: 62,303,840 equity shares of ₹ 10/- each)		<u>6,230.38</u>	<u>6,230.38</u>
Subscribed and fully paid up :			
62,276,440 equity shares of ₹ 10/-each			
(March 31, 2018: 62,276,440 equity shares of ₹ 10/-each)		<u>6,227.64</u>	<u>6,227.64</u>
		<u>6,227.64</u>	<u>6,227.64</u>

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Equity shares with voting rights

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount in ₹ lakhs	Number of shares	Amount in ₹ lakhs
Equity shares with voting rights				
Opening balance	62,276,440	6,227.64	31,138,220	3,113.82
Issue of bonus shares	-	-	31,138,220	3,113.82
Closing balance	<u>62,276,440</u>	<u>6,227.64</u>	<u>62,276,440</u>	<u>6,227.64</u>

Notes forming part of the financial statements

Details of shares held by each shareholder holding more than 5% shares:

Name of share holder	As at March 31, 2019		As at March 31, 2018	
	Number of shares held	% of holding in that class of shares	Number of shares held	% of holding in that class of shares
Equity shares of ₹ 10 each with voting rights				
Tata Sons Private Limited	<u>26,295,264</u>	<u>42.22%</u>	<u>26,295,264</u>	<u>42.22%</u>

Rights, preferences and contingencies attached to equity shares

The Company has only one class of equity shares, having a par value of Rs. 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 March 31, 2019	₹ lakhs As at March 31, 2018
15	OTHER EQUITY		
	(i) General reserve:		
	Opening balance	6,596.00	8,709.82
	Add: Transferred from surplus in statement of profit and loss	1,000.00	1,000.00
	Less: Utilisation of general reserve for allotment of bonus equity share at the ratio of 1:1	-	(3,113.82)
		7,596.00	6,596.00
	(ii) Surplus in statement of profit and loss		
	Opening balance	61,011.49	43,943.28
	Add/(Less): Transferred from other comprehensive income for the year	(298.22)	60.78
	Less: Dividend including tax on dividend	(8,258.53)	(5,996.36)
	Add: Net profit for the year	<u>28,996.89</u>	<u>24,003.79</u>
	Balance available for appropriation	81,451.63	62,011.49
	Less: Appropriations		
	a) Transfer to general reserve	<u>1,000.00</u>	<u>1,000.00</u>
	Closing balance	<u>80,451.63</u>	<u>61,011.49</u>
		<u>88,047.63</u>	<u>67,607.49</u>

Notes forming part of the financial statements

		₹ lakhs	
		As at March 31, 2019	As at March 31, 2018
16	PROVISIONS		
	(i) Non-current		
	(a) Provision for employee benefits		
	- Provision for compensated absences	1,112.73	915.08
	- Gratuity	129.39	58.18
		<u>1,242.12</u>	<u>973.26</u>
	(ii) Current		
	(a) Provision for employee benefits		
	- Provision for compensated absences	736.77	609.40
	(b) Other provisions		
	- Provision for warranty	98.63	79.56
		<u>835.40</u>	<u>688.96</u>

Details of movement in other provisions is as follows:

		₹ lakhs
Particulars		Amount
Balance as at April 1, 2017		51.94
Provisions made during the year		79.56
Provisions utilised during the year		-
Unused amounts reversed during the year		(51.94)
Balance as at March 31, 2018		79.56
Balance as at April 1, 2018		79.56
Provisions made during the year		98.63
Provisions utilised during the year		-
Unused amounts reversed during the year		(79.56)
Balance as at March 31, 2019		98.63

Warranty claims:

Provision for warranty represents present value of management's best estimate of the future outflow of economic benefits that will be required in respect of services provided, the estimated cost of which is accrued at the time of providing service. Management estimates the related provision for future warranty claims based on historical warranty claim information and is adjusted regularly to reflect new information. The products are generally covered under a free warranty period ranging up to 3 months.

Notes forming part of the financial statements

		₹ lakhs	
		As at March 31, 2019	As at March 31, 2018
17	TRADE PAYABLES		
	Current		
	- Acceptances	82.17	132.79
	- Other than acceptances		
	Trade payables - Micro, small and medium enterprises	-	-
	Trade payables - Other than micro, small and medium enterprises	5,467.36	4,366.14
		<u>5,549.53</u>	<u>4,498.93</u>
Above balances of trade payable include balances with related parties (Refer note 31)			
18	OTHER FINANCIAL LIABILITIES		
	Current		
	a) Employee related liabilities	3,795.01	4,942.18
	b) Payables on purchase of fixed assets	230.39	359.97
	c) Security deposit accepted	-	3.15
	d) Unclaimed dividend	510.08	413.13
		<u>4,535.48</u>	<u>5,718.43</u>
19	TAX LIABILITIES		
	(i) Non-current		
	- Provision for taxation (net of advance tax)	135.98	911.91
		<u>135.98</u>	<u>911.91</u>
	(ii) Current		
	- Provision for taxation (net of advance tax)	1,619.87	2,013.94
		<u>1,619.87</u>	<u>2,013.94</u>
20	OTHER LIABILITIES		
	Current		
	a) Advance from customers	901.33	1,018.60
	b) Contract liabilities	1,592.18	1,272.00
	c) Statutory and other liabilities	3,651.72	3,558.11
		<u>6,145.23</u>	<u>5,848.71</u>

Notes forming part of the financial statements

		₹ lakhs	
		For the year ended March 31, 2019	For the year ended March 31, 2018
21	REVENUE FROM OPERATIONS		
	Rendering of services	157,708.00	136,133.42
	Sale of traded goods	1,985.16	2,496.13
		<u>159,693.16</u>	<u>138,629.55</u>
	Revenue disaggregation by segment is as follows:		
	Software development and services	154,313.33	132,938.93
	System integration and support services	5,379.83	5,690.62
		<u>159,693.16</u>	<u>138,629.55</u>
	Revenue disaggregation by geography is as follows:		
	India	19,282.17	17,596.39
	US	48,980.71	41,003.27
	Europe	70,577.16	60,680.52
	Others	20,853.12	19,349.37
		<u>159,693.16</u>	<u>138,629.55</u>
22	OTHER INCOME		
	a) Interest income:		
	i) Interest from banks on deposits	2,811.07	1,464.45
	ii) Interest - others	-	216.39
	iii) Interest income on financial assets at amortised cost	29.67	15.14
	b) Other gains and losses:		
	i) Net gain / (loss) on foreign currency transactions	32.11	1,608.87
	ii) Net gain / (loss) arising on financial assets measured at fair value through profit or loss	317.32	(155.15)
	iii) Gain / (loss) on sale of property, plant and equipment	13.66	(3.35)
	c) Other non-operating income:		
	i) Export and other incentives/credits	982.92	1,079.00
	ii) Miscellaneous income	159.41	99.46
		<u>4,346.16</u>	<u>4,324.81</u>
23	PURCHASES		
	Spares, consumables and others	8,581.78	5,862.69
	Purchase of traded goods - computers, networking and storage systems and components and parts	1,474.41	1,866.04
		<u>10,056.19</u>	<u>7,728.73</u>

Notes forming part of the financial statements

		₹ lakhs
	For the year ended March 31, 2019	For the year ended March 31, 2018
24 CHANGES IN INVENTORIES		
Inventories at the end of the year:		
Stock-in-trade - components and spares	166.23	-
Inventories at the beginning of the year:		
Stock-in-trade - components and spares	-	-
Net (increase) / decrease	<u>(166.23)</u>	<u>-</u>
25 EMPLOYEE BENEFIT EXPENSES		
Salaries and wages	77,570.50	69,430.12
Contribution to provident and other funds	2,502.14	2,209.12
Staff welfare expenses	4,185.44	3,235.07
	<u>84,258.08</u>	<u>74,874.31</u>
26 OTHER EXPENSES		
Operating lease rentals	1,961.33	1,704.91
Rates and taxes	151.31	141.84
Power and fuel	871.39	882.86
Repairs and maintenance : Building	370.40	359.11
: Plant and equipment	823.30	623.17
: Others	631.77	549.01
Communication expenses	813.36	879.87
Inland travel and conveyance	853.15	791.49
Overseas travel	6,624.05	6,638.78
Advertisement and sales promotion expenses	788.10	748.50
Commission on sales	671.65	239.08
Printing and stationery	65.12	69.81
Motor vehicle expenses	384.58	383.82
Recruitment and training	323.12	264.70
Consultant fees for software development	6,171.72	5,088.49
Expenditure on Corporate Social Responsibility	550.36	266.11
Legal and professional charges	1,425.39	1,288.68
Insurance	179.73	186.77
Bank and other charges	103.75	79.90
Auditors' remuneration	55.80	44.69
Provision / (reversal) for doubtful debts	16.18	30.22
Bad debts written off	41.72	62.55
Provision for warranty (net)	19.07	27.62
Miscellaneous expenses	145.41	73.23
	<u>24,041.76</u>	<u>21,425.21</u>

Notes forming part of the financial statements

	For the year ended March 31, 2019	₹ lakhs For the year ended March 31, 2018
Note (i): Payments to the auditors excluding service tax, comprises:		
As auditors - statutory audit	45.00	39.25
Company law matters	1.00	1.00
Other services	5.50	-
Reimbursement of expenses	4.30	4.44
	<u>55.80</u>	<u>44.69</u>

B. NOTES ON ACCOUNTS

27. Income tax expense

Particulars	Year ended March 31, 2019	₹ lakhs Year ended March 31, 2018
Current tax:		
- In respect of current year	14,367.80	12,508.03
Deferred tax:		
- In respect of current year	(24.82)	(121.16)
Total income tax expense recognised	<u>14,342.98</u>	<u>12,386.87</u>

The reconciliation of income tax expense at statutory income tax rate to income tax charged to statement of profit and loss is as follows:

Particulars	Year ended March 31, 2019	₹ lakhs Year ended March 31, 2018
Profit before tax	43,339.87	36,390.66
Expected income tax expense calculated at 34.944%(PY 34.608%)	15,144.68	12,594.08
Effect of expenses that are not deductible in determining taxable profit	180.30	101.65
Effect of concessions	(982.00)	(308.86)
Income tax expense recognised in profit or loss	<u>14,342.98</u>	<u>12,386.87</u>

The tax rate used for 2018-19 reconciliation above is the corporate tax rate of 34.944% (PY 34.608%) payable by corporate entities in India on taxable profits under Indian tax law.

The Company benefits from the tax holiday available for units set up under the Special Economic Zone Act, 2005. These tax holidays are available for a period of fifteen years from the date of commencement of operations. Under the SEZ scheme, the Pune unit which begins providing services on or after April 1, 2005 will be eligible for deductions of 100% of profits or gains derived from export of services for the first five years, 50% of such profit or gains for a further period of five years and 50% of such profits or gains for the balance period of five years subject to fulfilment of certain conditions. Further, Thiruvananthapuram and Chennai units started providing services after April 1, 2018 and will be eligible for deductions of 100% of profits or gains derived from export of services for the first five years, 50% of such profit or gains for a further period of five years and 50% of such profits or gains for the balance period of five years subject to fulfilment of certain conditions.

Notes forming part of the financial statements

28. Earnings per share

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Earnings per share		
Basic		
Net profit / (loss) for the year attributable to the equity shareholders (₹ lakhs)	28,996.89	24,003.79
Weighted average number of equity shares	62,276,440	62,276,440
Par value per share (₹)	10	10
Earnings per share - basic and diluted (₹)	46.56	38.54

29. Employee benefit plans

29.1a Defined contribution plans

The Company makes Provident Fund, Superannuation Fund and contributions to Employee State Insurance as 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 i) ₹ 1,567.37 lakhs and ₹ 1,239.70 lakhs for Provident Fund contributions for the year ended March 31, 2019 and March 31, 2018, respectively. ii) ₹ 645.69 lakhs and ₹ 604.77 lakhs for Superannuation Fund contributions for the year ended March 31, 2019 and March 31, 2018, respectively. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

29.1b Defined benefit plans

The Company offers gratuity (included as part of Contribution to Provident and other funds in Note 25 Employee benefit expenses) to its eligible employees under defined benefit plans.

The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days basic salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service. The gratuity fund is managed by third party fund.

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

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	₹ lakhs	
Change in defined benefit obligations		
Present value of DBO at beginning of the year	2,465.33	2,281.20
Current service cost	308.41	315.64
Interest cost	186.37	162.88
Remeasurement of the net defined benefit liability	475.84	(76.37)
Benefits paid	(273.89)	(218.02)
Present value of DBO at the end of the year	3,162.06	2,465.33
Change in fair value of plan assets during the year		
Fair value of plan assets at beginning of the year	2,407.14	1,594.73
Interest Income	181.98	113.86
Employer's Contribution	700.00	900.00

Notes forming part of the financial statements

Particulars	₹ lakhs	
	Year ended March 31, 2019	Year ended March 31, 2018
Remeasurement -return on plan assets excluding amount included in interest income	17.44	16.57
Benefits paid	(273.89)	(218.02)
Plan assets at the end of the year	3,032.67	2,407.14
Funded status		
Deficit of plan assets over obligations	(129.39)	(58.18)
Surplus of plan assets over obligations	-	-
Category of Assets		
Insurer managed funds	3,032.67	2,407.14
Service Cost	308.41	315.64
Net interest on net defined benefit (assets)/liability	4.39	49.02
Net periodic gratuity cost	312.80	364.66
Actual return on plan assets	181.98	113.86
Actuarial losses and (gains) arising from changes in financial assumptions	18.73	(70.13)
Actuarial losses and (gains) arising from changes in experience adjustments	457.10	(6.24)
Remeasurement of the net defined benefit liability	475.83	(76.37)
Remeasurement - return on plan assets excluding amount included in interest income	(17.43)	(16.57)
Total	458.40	(92.94)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Actuarial assumptions for long-term compensated absences		
Discount rate	7.56%	7.14%
Expected return on plan assets	7.56%	7.14%
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%

The expected benefits are based on the same assumptions as are used to measure the Company's defined benefit plan obligations as at March 31, 2019. The Company is expected to contribute ₹ 545.80 lakhs to defined benefit obligations funds for the year ending March 31, 2020.

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

The significant actuarial assumptions for the determination of the defined benefit obligations are discount rate, expected salary increase and employee turnover. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

If the discount rate increases (decreases) by 1%, the defined benefit obligations would decrease by ₹ 196.02 lakhs (increase by ₹ 224.58 lakhs) as at March 31, 2019. If the expected salary growth increases (decreases) by

Notes forming part of the financial statements

1%, the defined benefit obligations would increase by ₹ 227.92 lakhs (decrease by ₹ 202.13 lakhs) as at March 31, 2019. If the employee turnover rate increases (decreases) by 1%, the defined benefit obligation would increase by ₹ 33.19 lakhs (decrease by ₹ 38.66 lakhs).

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumption may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the Projected Unit Credit Method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Each year an Asset - Liability matching study is performed in which the consequences of the strategic investment policies are analysed in terms of risk and return profiles. Investment and contribution policies are integrated within this study.

The defined benefit obligations shall mature after year ended March 31, 2019 as follows.

	₹ lakhs
Year ending March 31,	Defined benefit obligations
2020	444.51
2021	275.94
2022	324.52
2023	334.90
2024	303.79
Thereafter	4,419.03

30. Financial instruments- Fair values and Risk management.

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2.11 to the financial statements.

(a) Financial assets and liabilities

The carrying value of financial instruments by categories as of March 31, 2019 is as follows:

			₹ lakhs
Particulars	Derivative instruments not in hedging relationship	Amortised cost	Total carrying value
Assets:			
Trade receivables	-	35,654.12	35,654.12
Cash and cash equivalents	-	5,371.04	5,371.04
Other bank balances	-	46,210.42	46,210.42
Loans	-	75.83	75.83
Unbilled revenue	-	5,089.10	5,089.10
Other financial assets	343.17	2,479.03	2,822.20
Total	343.17	94,879.54	95,222.71

Notes forming part of the financial statements

			₹ lakhs
Particulars	Derivative instruments not in hedging relationship	Amortised cost	Total carrying value
Liabilities:			
Trade payables	-	5,549.53	5,549.53
Other financial liabilities	-	4,535.48	4,535.48
Total	-	<u>10,085.01</u>	<u>10,085.01</u>

The carrying value of financial instruments by categories as of March 31, 2018 is as follows:

			₹ lakhs
Particulars	Derivative instruments not in hedging relationship	Amortised cost	Total carrying value
Assets:			
Trade receivables	-	30,666.64	30,666.64
Cash and cash equivalents	-	8,321.01	8,321.01
Other bank balances	-	31,113.45	31,113.45
Loans	-	83.70	83.70
Unbilled revenue	-	7,047.45	7,047.45
Other financial assets	25.85	1,837.74	1,863.59
Total	<u>25.85</u>	<u>79,069.99</u>	<u>79,095.84</u>
Liabilities:			
Trade payables	-	4,498.93	4,498.93
Other financial liabilities	-	5,718.43	5,718.43
Total	-	<u>10,217.36</u>	<u>10,217.36</u>

(b) Fair value hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 —Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2—Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 —Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The investments included in Level 2 of fair value hierarchy have been valued using quotes available for similar assets and liabilities in the active market. The investments included in Level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value. The cost of unquoted investments approximate the fair value because there is a range of possible fair value measurements and the cost represents estimate of fair value within that range.

Notes forming part of the financial statements

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosures are required):

₹ lakhs				
As at March 31, 2019	Level 1	Level 2	Level 3	Total
Financial assets:				
Derivative financial assets	-	343.17	-	343.17
Total	-	343.17	-	343.17

₹ lakhs				
As at March 31, 2018	Level 1	Level 2	Level 3	Total
Financial assets:				
Derivative financial assets	-	25.85	-	25.85
Total	-	25.85	-	25.85

(c) Financial risk management

The Company is exposed primarily to fluctuations in credit, liquidity and market risks, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which covers risks associated with the financial assets and financial liabilities. The risk management policy is approved by the Board of Directors. The focus of risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company.

(d) Interest rate risk

The Company's investments are primarily in fixed rate interest bearing fixed deposits with banks. Hence the Company is not significantly exposed to interest rate risk.

(e) Credit risk:

Credit risk is the risk of financial loss arising from counter party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled revenue, derivative financial instruments, cash and cash equivalents, other bank balances and other financial assets. Other bank balances include bank deposits for an amount of ₹ 45,700.34 lakhs held with two schedule banks having high credit-rating which are individually in excess of 10% or more of the company bank deposits for the year ended March 31, 2019. Trade receivables and unbilled revenue include an amount of ₹ 8,548.10 lakhs held with one customer having high credit-rating which are individually in excess of 10% or more of company trade receivables and unbilled revenue for the year ended March 31, 2019.

Exposure to credit risk

The carrying amount of financial assets (excluding derivatives) represents the maximum credit exposure. The maximum exposure to the credit risk was ₹ 94,879.54 lakhs and ₹ 79,069.99 lakhs as at March 31, 2019 and March 31, 2018, respectively, being the total of the carrying amount of balances principally with banks, other bank balances, trade receivables, unbilled revenue and other financial assets.

The Company's exposure to customers is diversified and except one customer, no single customer contributes to more than 10% and 10% of outstanding accounts receivable and unbilled revenue as at March 31, 2019 and March 31, 2018, respectively.

Notes forming part of the financial statements

Geographic concentration of credit risk

The Company also has a geographic concentration of trade receivables (gross and net of allowances) and unbilled revenue as given below:

Country	As at March 31, 2019		As at March 31, 2018	
	Gross %	Net %	Gross %	Net %
United Kingdom	27.78%	27.88%	31.79%	32.01%
United States of America	20.07%	20.20%	16.81%	16.91%
India	23.32%	22.92%	25.36%	24.96%
Others	28.83%	29.00%	26.04%	26.12%

Geographic concentration of credit risk is allocated based on the location of the customers.

ii) Liquidity risk:

Liquidity risk refers to the risk that Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and to ensure that sufficient funds are available for use as per requirements.

The Company consistently generates sufficient cash flows from operations to meet its financial obligations as and when they fall due.

The table below provides details regarding the contractual maturities of significant financial liabilities as at:

						₹ lakhs
	Due in year 1	Due in year 2	Due in year 3	Due in year 4	Due in year 5	Total
March 31, 2019						
Non-derivative financial liabilities:						
Trade payables	5,549.53	-	-	-	-	5,549.53
Other financial liabilities	4,535.48	-	-	-	-	4,535.48
Total	10,085.01	-	-	-	-	10,085.01

						₹ lakhs
	Due in year 1	Due in year 2	Due in year 3	Due in year 4	Due in year 5	Total
March 31, 2018						
Non-derivative financial liabilities:						
Trade payables	4,498.93	-	-	-	-	4,498.93
Other financial liabilities	5,718.43	-	-	-	-	5,718.43
Total	10,217.36	-	-	-	-	10,217.36

iii) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

Notes forming part of the financial statements

(a) Foreign currency exchange rate risk:

The fluctuation in foreign currency rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company.

Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar, Great Britain Pound and Euro against the functional currency of the Company.

The Company, as per its risk management policy, uses derivative instruments primarily to cover the exchange rate risks. Further, any movement in the foreign currency of the various operations of the company against major foreign currencies may impact company's revenue in international business.

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange risk. It covers a part of these risks by using derivative financial instruments in line with its risk management policies.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 10% against the functional currency of the company.

The following analysis has been worked out based on the net exposures of the company as of the date of balance sheet which could affect the statement of profit and loss and other comprehensive income and equity. Further the exposure indicated below is mitigated by some of the derivative contracts entered into by the company.

The following table sets forth information relating to foreign currency exposures as at March 31, 2019 and March 31, 2018.

March 31, 2019					₹ lakhs
	USD	GBP	EUR	Others*	Total
Total financial assets	13,623.49	12,334.96	9,167.19	2,888.26	38,013.90
Total financial liabilities	1,975.67	702.75	335.00	121.34	3,134.76
March 31, 2018					₹ lakhs
	USD	GBP	EUR	Others*	Total
Total financial assets	12,615.07	13,708.28	8,815.94	4,254.69	39,393.98
Total financial liabilities	1,734.01	738.36	799.68	156.12	3,428.17

10% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the company would result in decrease/ increase in the company's profit before tax by approximately ₹ 3,487.92 lakhs for the year ended March 31, 2019 and ₹ 3,596.88 lakhs for the year ended March 31, 2018 respectively.

*Others include AED, CAD, JPY, KRW, MYR, SGD, ZAR, CNY, etc.

The Company use various derivative financial instruments governed by policies approved by the board of directors such as foreign exchange forward and option contracts to manage and mitigate its exposure to foreign exchange rates. The counter party is generally a bank. The Company can enter into contracts for period up to one year.

Notes forming part of the financial statements

The following table presents the aggregate contracted principal amounts of the Company's derivative contracts outstanding:

Foreign Currency	March 31, 2019		
	No. of contracts	Notional amount of contracts (Currency value in lakhs)	MTM Values (₹ lakhs)
US Dollar	7	90.00	116.57
Sterling Pound	4	57.50	147.71
Euro	7	36.00	78.89

Foreign Currency	March 31, 2018		
	No. of contracts	Notional amount of contracts (Currency value in lakhs)	MTM Values (₹ lakhs)
US Dollar	3	80.00	9.84
Sterling Pound	3	35.00	12.11
Euro	3	17.50	3.90

31. Related party transactions

The Company's material related party transactions and outstanding balances are with its group companies with whom the Company routinely enters into transactions in the ordinary course of business.

Names of related parties	Description of relationship
Tata Sons Private Limited	Company with significant influence
Mr. Madhukar Dev, Managing Director	Key Managerial Personnel
Mr. Muralidharan HV, Chief Financial Officer (w.e.f. July 27,2017)	Key Managerial Personnel
Mr. Ramaseshan K, Chief Financial Officer (upto May 31,2017)	Key Managerial Personnel
Mr. G. Vaidyanathan, Company Secretary	Key Managerial Personnel
Tata Elxsi Employees' Provident Fund Trust	Post-employment benefit plan of Tata Elxsi Limited
Tata Elxsi Employees' Gratuity Fund Trust	Post-employment benefit plan of Tata Elxsi Limited
Tata Elxsi Employees' Superannuation Fund Trust	Post-employment benefit plan of Tata Elxsi Limited
Infiniti Retail Limited	Subsidiary of Tata Sons Private Limited
Tata Advanced Systems Limited	Subsidiary of Tata Sons Private Limited
Tata Autocomp Systems Limited	Subsidiary of Tata Sons Private Limited
Tata Communications Limited	Subsidiary of Tata Sons Private Limited
Tata Consultancy Services Limited	Subsidiary of Tata Sons Private Limited
Tata Housing Development Company Limited	Subsidiary of Tata Sons Private Limited
Tata Investment Corporation Limited	Subsidiary of Tata Sons Private Limited
Tata Limited	Subsidiary of Tata Sons Private Limited
Tata Teleservices (Maharashtra) Limited	Subsidiary of Tata Sons Private Limited
Tata Teleservices Limited	Subsidiary of Tata Sons Private Limited
Tata International West Asia DMCC	Subsidiary of Tata Sons Private Limited's subsidiary
Tata Advanced Materials Limited	Subsidiary of Tata Sons Private Limited's subsidiary
Tata Communications Transformation Services Limited	Subsidiary of Tata Sons Private Limited's subsidiary
TC Travel And Services Limited (upto Oct 30,2017)	Subsidiary of Tata Sons Private Limited's subsidiary

Notes forming part of the financial statements

30.1 Details of related party transactions:

The transactions during the year ended March 31, 2019 and balances outstanding as at March 31, 2019

					₹ lakhs
Particulars	Company with significant influence	Key Managerial Personnel	Subsidiaries of Tata Sons Private Limited	Other related parties	Total
Revenue from operations	25.07	-	283.59	-	308.66
Dividend paid	2,892.48	-	160.60	-	3,053.08
Purchase of goods, services (including reimbursement)	-	-	771.83	-	771.83
Receiving of services - Brand fee and other services	416.76	-	-	-	416.76
Remuneration and commission	-	916.69	-	-	916.69
Contribution to employees' post employment plan	-	-	-	3,808.83	3,808.83
Balances outstanding at the end of the year:					
Trade Receivable	-	-	64.96	-	64.96
Trade Payable	365.61	-	60.61	-	426.21
Others payable	-	375.00	-	341.10	716.10

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends. The above figures do not include provisions for compensated absences leave, gratuity and premium paid for group health insurance as separate actuarial valuation / premium paid are not available.

The transactions during the year ended March 31, 2018 and balances outstanding as at March 31, 2018:

					₹ lakhs
Particulars	Company with significant influence	Key Managerial Personnel	Subsidiaries of Tata Sons Private Limited	Other related parties	Total
Revenue from operations	43.57	-	900.25	-	943.25
Dividend paid	2,103.62	-	116.80	-	2,220.42
Purchase of goods, services (including reimbursement)	-	-	781.23	-	781.23
Receiving of services - Brand fee and other services	417.48	-	-	-	417.48
Remuneration and commission	-	807.22	-	-	807.22
Contribution to employees' post employment plan	-	-	-	3,483.94	3,483.94
Balances outstanding at the end of the year:					
Trade Receivable	66.91	-	249.81	-	316.72
Trade Payable	339.45	-	0.86	-	340.31
Other Payable	-	325.00	-	269.91	594.91

All transactions with these related parties are priced on an arm's length basis.

Notes forming part of the financial statements

32. Operating lease

₹ lakhs

Leases as lessee	For the year ended March 31, 2019	For the year ended March 31, 2018
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 up to 15 % as per lease agreements.		
Future minimum lease payments:		
not later than one year	977.43	483.11
later than one year and not later than five years	1,975.10	1,148.17
Above five years	-	225.42
Lease payments recognised in the Statement of Profit and Loss	1,961.33	1,704.91

33. Contingent liabilities and Commitments:

₹ lakhs

	As at March 31, 2019	As at March 31, 2018
Contingent liabilities and commitments (to the extent not provided for)		
Contingent liabilities:		
Claims against the Company not acknowledged as debt		
1. Disputed demands for Income Tax aggregates	210.75	1,973.56
2. Service tax matters	842.26	842.26

Notes:

- Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.
- The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

₹ lakhs

	As at March 31, 2019	As at March 31, 2018
Capital Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for		
Property, plant and equipment	57.30	631.57
Intangible assets	18.27	26.46

Notes forming part of the financial statements

34. Segment information

The Chief Executive Officer and Managing Director of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108 - operating segments. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by industry classes. Accordingly, the segment information has been presented for industry classes.

The Company has identified business segments as its primary segment. Business segments are primarily system integration & support and software development & services.

Each segment item reported is measured at the measure used to report to CODM for the purposes of making decisions about allocating resources to the segment and assessing its performance.

Revenues and expenses directly attributable to segments are reported under each reportable segment. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Property, plant & equipment that are used interchangeably amongst segments are not allocated to primary segment.

Particulars	₹ lakhs	
	Year ended March 31, 2019	Year ended March 31, 2018
Segment revenue		
Software development & services	1,54,313.33	1,32,938.93
System integration & support services	5,379.83	5,690.62
Total	1,59,693.16	1,38,629.55
Segment results		
Software development & services	45,590.46	39,620.14
System integration & support services	923.20	842.34
Total	46,513.66	40,462.48
Less: Unallocable expenditure (net of unallocable income)	3,173.79	4,071.82
Profit before tax	43,339.87	36,390.66
Tax expense	14,342.98	12,386.87
Net profit for the period / year	28,996.89	24,003.79
	As at March 31, 2019	As at March 31, 2018
Segment assets		
Software development & services	54,239.86	47,067.43
System integration & support services	1,915.11	1,707.87
Unallocable assets	58,183.91	45,713.97
Total	1,14,338.88	94,489.27
Segment liabilities		
Software development & services	12,683.88	10,639.64
System integration & support services	1,125.11	1,494.45
Unallocable liabilities	6,254.62	8,520.05
Total	20,063.61	20,654.14

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

Notes forming part of the financial statements

Geographic Segment	Revenues	Non-current assets	Revenues	Non-current assets
	For the year ended March 31, 2019	As at March 31, 2019	For the year ended March 31, 2018	As at March 31, 2018
India	19,282.17	11,409.49	17,596.39	12,122.85
US	48,980.71	9.18	41,003.27	10.41
Europe	70,577.16	7.17	60,680.52	12.32
Others	20,853.12	1.35	19,349.37	2.62
Total	1,59,693.16	11,427.19	1,38,629.55	12,148.20

Geographical non-current assets (property, plant and equipment, intangible assets, income tax assets and other non-current assets) are allocated based on the location of the assets.

Information about major customers:

The revenues of ₹ 1,54,313.33 (previous year ₹ 1,32,938.93) lakhs arising from the software development and services segment includes ₹ 36,749.39 (Previous year ₹ 35,079.76) lakhs representing revenue of more than 10% of the total revenue of the Company is from one customer.

35. Ind AS 115 - Revenue

The effect of initially applying Ind AS 115 on the Company's revenue from contracts with customers is described in Note 2.4. Due to the transition method chosen in applying Ind AS 115, comparative information has not been restated to reflect the new requirements.

A. Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

	As at March 31, 2019	As at March 31, 2018
Trade receivables	35,654.12	30,666.64
Unbilled receivables (March 31, 2018: Unbilled revenue)	5,089.10	7,047.45
Contract assets (previous year included in unbilled revenue)	2,873.82	-
Contract liabilities	1,592.18	1,272.00

The following table discloses the movement in contract assets during the year ended March 31, 2019:

	As at March 31, 2019
Balance at the beginning	1,526.11
Add: Revenue recognized during the year	14,184.44
Less: Invoiced during the year	12,833.60
Less : Translation gain/(loss)	(3.13)
Balance at the end	2,873.82

The following table discloses the movement in unearned revenue balances during the year ended March 31, 2019:

	As at March 31, 2019
Balance at the beginning	1,272.00
Less: Revenue recognized during the year	11,605.46
Add: Invoiced during the year	11,915.54
Less: Translation gain/(loss)	(10.10)
Balance at the end	1,592.18

Notes forming part of the financial statements

B. Remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revaluations, adjustment for revenue that has not materialized and adjustments for currency

Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the Company's performance completed to date, typically those contracts where invoicing is on time and material, unit price basis and no information is provided about remaining performance obligations at March 31, 2019 that have an original expected duration of one year or less, as allowed by Ind AS 115.

The aggregate value of performance obligations that are completely or partially unsatisfied as of March 31, 2019 is ₹ 6,108.92 lakhs. Out of this, the Company expects to recognize revenue of around 93.40% within the next one year and the remaining thereafter. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment, the occurrence of the same is expected to be remote.

36. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

₹ lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	539.30	190.45
(iv) The amount of interest due and payable for the year	-	-
(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	-	-

37. Corporate Social Responsibility:

- Gross amount required to be spent by the Company during the year ₹ 484.13 lakhs (March 31, 2018 ₹ 375.09 lakhs)
- Amount spent during the year on :

₹ lakhs

Particulars	For the year ended March 31, 2019			For the year ended March 31, 2018		
	In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
Construction/acquisition of any asset	Nil	Nil	Nil	Nil	Nil	Nil
On purpose other than (i) above	575.16	Nil	575.16*	284.86	Nil	284.86*

* Includes overhead expense of ₹ 24.21 lakhs (March 31, 2018 ₹18.75 lakhs)

Notes forming part of the financial statements

38. The Company has entered into incubation agreement for providing services pertaining to promotion of business of the entrepreneurs and also providing infrastructure facilities and resources. In consideration for the services rendered shares has been allocated /transferred as under.

Name of the Company	No shares allotted / transferred	Face value of shares (₹)
Big V Telecom Private Limited	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.

39. The aggregate amount of research and development expenditure recognised as an expense during the year is ₹ 2,254.28 lakhs (Previous year ₹ 1,990.67 lakhs)
40. The sitting fee and commission for non-executive directors is ₹ 361.90 lakhs and ₹ 309.00 lakhs for the financial year 2018-19 and 2017-18 respectively.

41. The disclosure regarding specified bank notes

The disclosures regarding details of specified bank notes held and transacted during November 8, 2016 to December 30, 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended March 31, 2019

42. Subsequent event note

Dividends

During the year ended March 31, 2019, the Company paid total dividends at ₹ 11 per equity share for the year ended March 31, 2018.

Dividends declared by the Company are based on the profit available for distribution. Distribution of dividend out of General Reserve and Retained earnings is subject to applicable dividend distribution tax. On April 24, 2019, the Board of Directors of the Company have proposed a final dividend of ₹ 13.50 per share in respect of the year ended March 31, 2019 subject to the approval of shareholders at the Annual General Meeting.

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

As per our report of even date attached

for **B S R & Co. LLP**

Chartered Accountants

Firm Registration No.: 101248W/W-100022

Sanjay Sharma

Partner

Membership No.: 063980

Bengaluru, April 24, 2019

For and on behalf of the Board

N G Subramaniam
Shyamala Gopinath
Madhukar Dev
Muralidharan H.V
G. Vaidyanathan

DIN: 07006215

DIN: 02362921

DIN: 00082103

Chairman

Director

Managing Director

Chief Financial Officer

Company Secretary

Bengaluru, April 24, 2019

Notes forming part of the financial statements

Significant three years' highlights

₹ lakhs

	31.03.2019	31.03.2018	31.03.2017
Income			
Revenue from operations	1,59,693.16	1,38,629.55	1,23,731.23
Other Income	4,346.16	4,324.81	(541.16)
Total	1,64,039.32	1,42,954.36	1,23,190.07
Expenditure			
Cost of sales	9,889.96	7,728.73	7,649.87
Personnel expenses	84,258.08	74,874.31	66,568.25
Depreciation / amortisation expense	2,509.65	2,535.45	2,692.13
Other expenses	24,041.76	21,425.21	19,854.10
Total	1,20,699.45	1,06,563.70	96,764.35
Profit before tax	43,339.87	36,390.66	26,425.72
Provision for Tax	(14,342.98)	(12,386.87)	(8,947.26)
Profit for the year	28,996.89	24,003.79	17,478.46

Significant Ratio Analysis

S. No.	Particulars	Unit	31.03.2019	31.03.2018	31.03.2017
1	Earnings before interest, depreciation and tax/ Sales	%	28.71	28.08	23.53
2	Profit before taxes/Sales	%	27.14	26.25	21.36
3	Profit after taxes/Sales	%	18.16	17.32	14.13
4	Current Ratio	No. of Times	5.39	4.23	4.30
5	Debt Equity Ratio	%	—	—	—
6	Earnings per share	₹	46.56	38.54	28.07
7	Dividend per share	₹	13.50	11.00	16.00
8	Book Value per share	₹	151.38	118.56	89.55
9	Return on Net Worth	%	30.76	32.51	31.34
10	Return on Capital Employed	%	30.76	32.51	31.34

TATA ELXSI LIMITED

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



ATTENDANCE SLIP

(Please hand over the filled Attendance slip at the Entrance of the Meeting Hall)

DP.Id*:	
Client Id*:	

*Applicable to shareholders holding shares in electronic form

Folio No.	
No. of Shares	

Name and Address of the Shareholder:

Signature of Shareholder/Proxy

I hereby record my presence at the 30th Annual General Meeting of the Company held at St. John's Auditorium, John Nagar, Koramangala, Bengaluru- 560 034, on Wednesday the July 17, 2019 at 12.30 PM.



TATA ELXSI LIMITED

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]

Name of the member(s):		E-mail Id:	
Registered address:		Folio No/Client Id*:	
		DP Id*:	

*Applicable to shareholders holding shares in electronic form

I/We.....of.....being a Member(s) of

Tata Elxsi Limited, hereby appoint:

- 1) of having e-mail i.d or failing him
2) of having e-mail i.d or failing him
3) of having e-mail i.d and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me /us and on my/our behalf at the 30th Annual General Meeting of the Company, to be held at St.John's Auditorium, John Nagar, Koramangala, Bengaluru- 560 034, on Wednesday the July 17, 2019 at 12.30 PM and any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	FOR	AGAINST
1.	To consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2019, together with the Reports of the Board of Directors and the Auditors thereon.		
2.	To declare dividend on equity shares for the financial year 2018-19.		
3.	To appoint a Director in place of Mr. N. Ganapathy Subramaniam who retires by rotation and, being eligible, offers himself for re-appointment.		
4.	Appointment of Mr. Ankur Verma as a Director.		
5.	Re-appointment of Mrs. Shyamala Gopinath as an Independent Director.		
6.	Appointment of Mr. Manoj Raghavan as Director.		
7.	Appointment of Mr. Manoj Raghavan as CEO & Managing Director.		

Signed this _____ day of _____ 2019.

Signature of Shareholder: _____

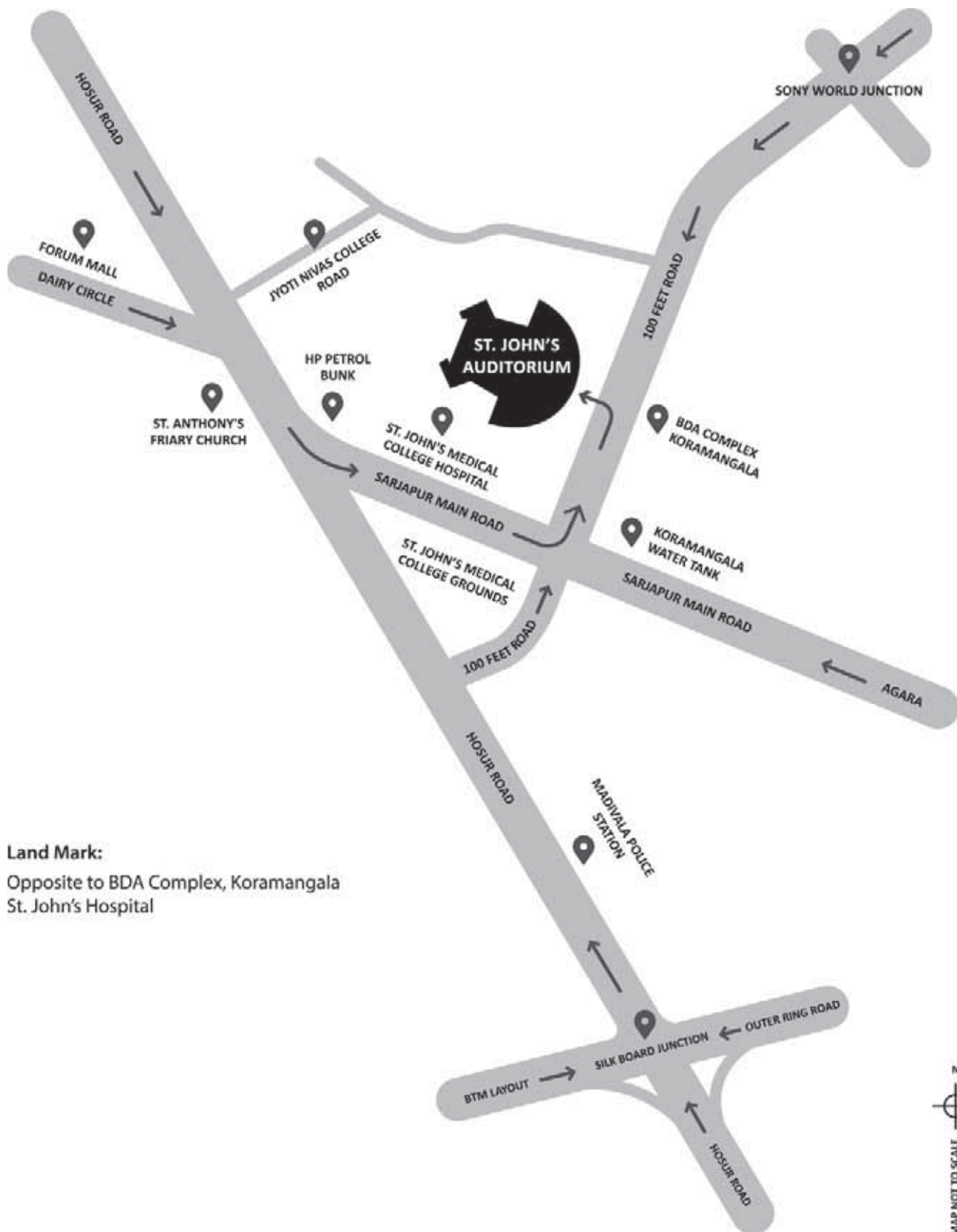
Signature of Proxy holder _____

Please affix
Revenue
Stamp

Notes:

- This form of Proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company, at ITPB Road, Whitefield Bengaluru - 560 048. not less than Forty-Eight (48) hours before the commencement of the meeting.
- For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of Thirtieth Annual General Meeting.

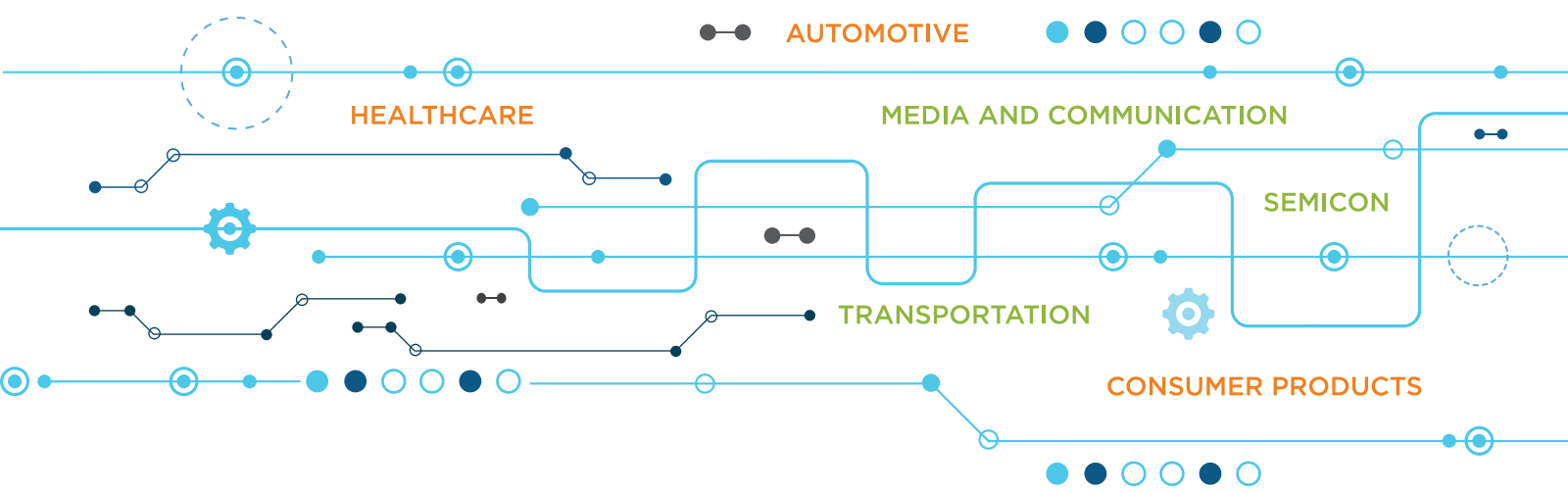




Land Mark:

Opposite to BDA Complex, Koramangala
St. John's Hospital

INDUSTRIES SERVED





Corporate Information

Registered & Corporate Office

Tata Elxsi Limited

ITPB Road Whitefield Bengaluru 560 048
India

(CIN-L85110KA1989PLC009968)

Tel: +91 80 2297 9123

Fax: +91 80 2841 1474

www.tataelxsi.com

Thirtieth Annual General Meeting

Wednesday, July 17, 2019, 12.30 PM

St. John's Auditorium, John Nagar, Koramangala

Bengaluru - 560 034

Auditors

BSR & Co. LLP

Chartered Accountants

Registrars & Share Transfer Agents

TSR Darashaw Limited

6-10, Haji Moosa, Patrawala Ind. Estate

20, Dr. E. Moses Road Mahalaxmi

Mumbai - 400 011

For additional information or queries, please contact:

investors@tataelxsi.com