



June 26, 2020

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 31st Annual General Meeting (“AGM”) and Annual Report for the financial year 2019-20.

The 31st AGM of Tata Elxsi Limited will be held on Tuesday, July 21, 2020 through Video Conference (VC) or Other Audio Visual Means (OAVM) at 12.30 p.m, in accordance, with the relevant circulars issued by Ministry of Corporate Affairs and Securities and Exchange Board of India (SEBI).

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“Listing Regulations”), please find enclosed the Notice of the 31st AGM along with the Annual Report of the Company for the financial year 2019-20, which is being sent by email to those Members whose email addresses are registered with the Company/ TSR Darashaw Consultants Private Limited / Depository Participant(s).

The Annual Report containing the Notice is also uploaded on the Company's website <https://tataelxsi.com/investors/financials/Annual-Report-2019-20.pdf>

Thanking you.

Yours truly,

For Tata Elxsi Limited

G. Vaidyanathan

General Counsel and Company Secretary

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
2019 - 20

TECHNOLOGY + DESIGN



FINANCIAL HIGHLIGHTS

TOTAL INCOME

1668.27

₹ CRORES

PROFIT AFTER TAX

256.10

₹ CRORES

EARNINGS PER SHARE

41.12

₹/ SHARE

BOOK VALUE

175.03

₹/ SHARE

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TECHNOLOGY + DESIGN

Technology convergence and digital technologies are creating new opportunities to impact customer experience and drive growth.

Brands and businesses need to understand their end consumers deeply, derive insights into their needs, and then translate these into products and services that allow simple, meaningful and, great experiences in order to drive strategic and sustainable growth.

Our integrated technology and design teams help enterprises re-imagine their products and services in this age of digital - from strategy, consumer research and insights, to service and experience design, technology implementation, integration, launch and beyond.

BOARD OF DIRECTORS

as on April 20, 2020



Mr. N G SUBRAMANIAM
Chairman



Mrs. S GOPINATH
Independent Director



Prof. M S ANANTH
Independent Director



Mr. SUDHAKAR RAO
Independent Director



Mr. ANKUR VERMA
Director



MANOJ RAGHAVAN
CEO & Managing Director

COMMITTEES

Audit

Mrs. S Gopinath
Chairperson

Prof. M S Ananth

Mr. Ankur Verma

Stakeholders' Relationship

Mr. Sudhakar Rao
Chairman

Prof. M S Ananth

Mr. Manoj Raghavan

Corporate Social Responsibility

Mr. Sudhakar Rao
Chairman

Mrs. S Gopinath

Mr. Manoj Raghavan

Nomination & Remuneration

Mrs. S Gopinath
Chairperson

Mr. N G Subramaniam

Mr. Sudhakar Rao

Risk Management

Mr. Sudhakar Rao
Chairman

Mr. N G Subramaniam

Mr. H V Muralidharan

Chief Financial Officer

Mr. H V Muralidharan

Company Secretary

Mr. G Vaidyanathan

Auditors

BSR & Co. LLP
Chartered Accountants

Registered & Corporate Office

Tata Elxsi Limited
ITPB Road Whitefield
Bengaluru - 560 048
India

Email: investors@tataelxsi.com

Registrars & Share Transfer Agents

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

MESSAGE FROM THE CHAIRMAN



Dear Shareholder,

I hope you and your family are staying safe and healthy, amidst this Coronavirus pandemic.

Your Company prioritised employee safety and worked towards delivering resilience and continuity of our services to our clients at large, in the difficult environment in recent times.

Your Company reported a modest growth of 1.7 % in total income in FY19-20, while profit before tax declined by 18.7 % as compared to FY18-19.

To set the context for this performance during the year under review, your Company faced headwinds in the automotive industry segment at the start of the year which led to a significant impact.

However, your Company's diversification strategy resulted in new customer acquisitions, entering new industry segments and redeployment of resources.

Our diversification strategy is yielding results, and automotive segment contributes now less than half of our revenues.

We have expanded our offerings across verticals and strengthened our footprint in key markets, coupled with excellent operational management.

In the past couple of months, we were compelled to work in new ways and operating models at such a large scale with such short notice. We were agile and nimble in adapting to these changes. What is more pleasing is that we have not let any of this hamper our customer commitments.

Our customers have come back appreciating and thanking us for transitioning with minimum or no disruptions whatsoever and standing by them in difficult times.

Even as we step into the new financial year, the spread of the Covid-19 pandemic across key geographies that your Company operates in, presents us with business challenges, economic lockdowns, foreign exchange rate volatility etc at least for the short term.

The next couple of quarters are expected to be difficult, but our strong relationship with customers, and passionate team that is servicing them and our design led services will enable us to come out of this crisis strongly.

As we exit this crisis, the world will be different; consumer habits, preferences and consumption patterns will change. The way that brands and businesses operate, market, sell, deliver and service their customers will change,

presenting us with opportunities to engage with customers.

Your management team is working towards capturing every opportunity that comes our way and are geared to partner with our customers in their new agenda.

We recognize the importance of ensuring that your company is a place where employees feel safe, cared for, and supported in ways that enable them to do their best, and enhance their lives and the lives of those around them.

I would like to extend my gratitude to our management team, staff, and business associates for their commitment and contribution towards Tata Elxsi.

I take this opportunity to also record my appreciation for my fellow directors for guiding the company amidst the tough operating environment.

I am pleased to inform you that your Board of Directors has recommended a final dividend of 165% for your consideration.

Last but not the least, on behalf of the entire Board of Directors and the management team, I would like to thank you for your continued trust, guidance and support.

N G Subramaniam

TECHNOLOGY SERVICES AND PRODUCT ENGINEERING

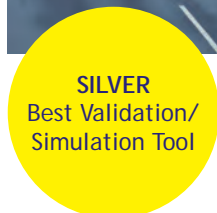


RoboTaxi - A concept vehicle integrates AEye's iDAR with Tata Elxsi's Autonomai to create a fully autonomous vehicle

autonomai



Our AR-V2X is a first-of-its-kind solution that fuses the concept of Augmented Reality and Connected Car testing



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.

We work with leading car manufacturers and suppliers, in developing electronics and software for powertrain, infotainment, connectivity, active safety, and comfort and convenience.

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 and OTT are creating new revenue opportunities for operators and broadcasters.

We work with leading broadcasters and 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's Medical Device and Healthcare practice work with leading medical device OEMs and technology companies for market research and human factor engineering, hardware and software engineering, verification and validation, regulatory standards and compliance requirements along with technologies such as artificial intelligence, cloud and IoT.

Tata Elxsi's Medical Device and Healthcare practice is ISO 13485 certified.



Innovation - Fixed Dose Pen for Drug Delivery



INDUSTRIAL DESIGN AND VISUALIZATION



India's Best Design Awards (IBDA) for:

Packaging Design

Sunny Sun-lite refined sunflower oil jar

Product Design

Orient Ultimo Tower Cooler



Sunny
Sun-lite refined sunflower oil jar



Orient Ultimo Tower Cooler



Mobil Drive X – An immersive platform for meaningful engagement with customers

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.

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.



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.



iF Design Award for our innovative and exceptional design concept for a Mixed Reality (MR) Based Smart Assistive Wearable Device

SYSTEMS INTEGRATION SERVICES



We are among the first and most experienced system integration service providers in India

Tata Elxsi implements and integrates complete systems and solutions for specialized applications such as Experience Centers, Training and Safety, and Design Visualisation.

emerging digital technology needs with our customers, including Professional services for cloud and infrastructure management, Virtual Reality (VR), 3D Printing and Robotics.

We continue to strengthen our solution portfolio to address



Experience Center for Tata Chemicals, Pune

NOTICE

Notice is hereby given that the THIRTY FIRST ANNUAL GENERAL MEETING of TATA ELXSI LIMITED will be held on Tuesday, July 21, 2020 at 12:30 pm., through Video Conference (VC) or Other Audio Visual Means (OAVM) to transact the following business:

Ordinary Business

1. To consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2020, together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on equity shares for the financial year 2019-20.
3. To appoint a Director in place of Mr. Ankur Verma who retires by rotation and, being eligible, offers himself for re-appointment.

Bengaluru, June 05, 2020

By Order of the Board

Registered Office:

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

G. Vaidyanathan
Company Secretary

Notes:

1. In view of the current extraordinary circumstances caused by the Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the Companies to hold their Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the current AGM of the Company is being held through VC / OAVM. The deemed venue for the 31st AGM will be the registered office of the Company.
2. 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 Director(s) seeking appointment/re-appointment at this AGM is annexed.
3. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
4. The Members can join the AGM in the VC/OAVM mode thirty minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis.
5. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. Members desirous of seeking information in respect of Accounts of the Company are requested to send their queries to telagm@tataelxsi.com on or before July 15, 2020.
7. During the 31st AGM, Members may access the scanned copy of the Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Act and the register of contracts and arrangements in which the Directors are interested, maintained under section 109 of the Act, upon logging in to NSDL e-voting system at <https://www.evoting.nsdl.com>
8. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM through e-voting.
9. Register of Members and Transfer Books of the Company will remain closed from July 15, 2020 to



- July 21, 2020 (both dates inclusive) for the purpose of determining the shareholders entitled to the Dividend as recommended by the Board of Directors for the year ended March 31, 2020.
10. If the dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend will be made as under:
 - i. To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on **July 14, 2020**.
 - ii. To all Members in respect of shares held in physical form after giving effect to valid transmission or transposition requests lodged with the Company as of the close of business hours on **July 14, 2020**.
 11. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrar and Transfer Agent TSR Darashaw Consultants Private Limited (TCPL) for assistance in this regard.
 12. 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 ("DP") 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 Consultants Private Limited.
 13. As per the provisions of Section 72 of the Companies Act, 2013 (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 DP in case the shares are held by them in electronic form and to TSR Darashaw Consultants Private Limited, in case the shares are held by them in physical form.
 14. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, 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, TSR Darashaw Consultants Private Limited for shares held in physical form, with relevant documents that may be required.
 15. In view of the COVID-19 pandemic and resultant difficulties involved in dispatch of physical copies of the Annual Report, the MCA, vide its Circular dated May 5, 2020 has dispensed with the requirement of dispatch of physical copies of the Annual Report. Accordingly, the Notice of the AGM along with the Annual Report 2019-20 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.tataelxsi.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of NSDL <https://www.evoting.nsdl.com>. For any communication, the shareholders may also send requests to the Company's dedicated investor email-id: investors@tataelxsi.com
 16. Members who have not claimed/received their dividend paid by the Company in respect of earlier years, are requested to check with the Company's Registrar and Transfer Agent, TSR Darashaw Consultants Private Limited. Members are requested to note that in terms of Section 125 of the Companies Act, 2013 any dividend unpaid / unclaimed for a period of 7 years from the date these first became due for payment, is to be transferred to the Central Government to the credit of the Investor Education & Protection Fund (IEPF). The details of the unclaimed dividends and the underlying shares that are liable to be transferred to IEPF are also available at the Company's website - www.tataelxsi.com. In view of this, members/claimants are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority, in Form No. IEPF-5 available on www.iepf.gov.in
 17. 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/W100022)



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.

18. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/TSR Darashaw Consultants Private Limited (in case of shares held in physical mode) and their respective Depository Participant (in case of shares held in demat mode).
19. A Resident individual shareholder with PAN, whose dividend income during the year exceeds ₹ 5,000 and is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source, by email to csg-exemptforms@tsrdarashaw.com by 06.00 PM (IST), **July 05, 2020**. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to nriexemptforms@tataelxsi.com. The aforesaid declarations and documents need to be submitted by the shareholders by 06.00 PM (IST), **July 05, 2020**.

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 Mr. V Madan, Practicing Company Secretary (CP 21778) as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting during the meeting and remote e-voting process, in a fair and transparent manner.
- III. The facility for e-voting, shall also be made available during the AGM and Members attending the AGM through VC/OAVM, who have not already cast their vote by remote e-voting, may exercise their right to vote during the AGM through the NSDL portal which will be available for fifteen minutes post the conclusion of the AGM.
- IV. The members who have cast their vote by remote e-voting prior to the AGM can also participate in the AGM through VC / OAVM, but shall not be entitled to cast their vote through e-voting again.
- V. 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.
- VI. **The remote e-voting period commences on July 17, 2020 (9:00 am) and ends on July 20, 2020 (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 14, 2020**, 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:

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

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

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

b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

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.

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

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

1. 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.
2. 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.
3. Select "EVEN" of the Company, which is **112990**
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.



7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for 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 scrutinizer.tel@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 mailing of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
3. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the Meeting, thereafter, unblock the votes cast through remote e-voting in the presence of at least

two witnesses not in the employment of the Company and make, not later than 48 hours of conclusion of the AGM, a consolidated 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. 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.

Process for registration of e-mail id for obtaining Annual Report and User ID/password for e-voting and updation of bank account mandate for receipt of dividend:

- i. For shares held in physical form - Send a request to the Registrar and Transfer Agents of the Company, TCPL at csg-unit@tsrdarashaw.com mentioning the Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) for registering email address.

Following additional details need to be provided in case of updating Bank Account Details:

- a) Name and Branch of the Bank in which you wish to receive the dividend,
- b) the Bank Account type,
- c) Bank Account Number allotted by their banks after implementation of Core Banking Solutions
- d) 9 digit MICR Code Number, and
- e) 11 digit IFSC Code
- f) a scanned copy of the cancelled cheque bearing the name of the first shareholder.

- ii. For shares held in demat form - Please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process advised by your DP.

INSTRUCTIONS FOR MEMBERS ATTENDING THE AGM THROUGH VC / OAVM :

1. Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM provided by NSDL at <https://www.evoting.nsdl.com> by using their remote e-voting login credentials and selecting the EVEN **112990** for Company’s AGM.

Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password



may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.

2. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for atleast 1000 Members on first come first served basis.
3. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in, 1800-222-990 or Ms. Sarita Mote at saritam@nsdl.co.in / + 91 22 24994890 or write to the Company at telagm@tataelxsi.com
4. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered

email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at telagm@tataelxsi.com until 5.00 PM IST, July 15, 2020. The facility to express views/ask questions during the AGM shall be restricted only to those members who have pre-registered themselves as a speaker. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

Bengaluru, June 05, 2020

By Order of the Board

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

G. Vaidyanathan
Company Secretary

Annexure

Details of Director(s) seeking appointment / re-appointment at the Annual General Meeting

Particulars	Mr. Ankur Verma
Date of Birth	March 25, 1976
Date of appointment	August 01, 2018
Qualifications	B.E. (Mech); MBA (IIM, Calcutta)
Expertise in specific functional areas	Investment Banking, Capital Markets Corporate Strategy
Directorships held in other public companies (excluding foreign companies and Section 8 companies)	<ol style="list-style-type: none"> 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)	<p>Audit Committee:</p> <ol style="list-style-type: none"> 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 <p>Stakeholders' Relationship Committee:</p> <ol style="list-style-type: none"> 1. Tata Teleservices (Maharashtra) Limited
Number of shares held in the Company as on March 31, 2020	Nil

Mr. Ankur Verma is not related to any of the other Directors of the Company 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 Thirty First Annual Report on the business and operations of the Company along with the Audited Statements of Accounts for the financial year ended March 31, 2020.

2. Result of Operations - Extract

	₹ In Crores	
	2019-20	2018-19
Revenue from operations	1610	1597
Other income(Net)	58	43
Total Income	1668	1640
Profit before financial expenses, depreciation	401	458
Less: Financial expenses	6	-
Depreciation/ Amortization	43	25
Profit before tax	352	433
Tax expenses	96	143
Profit after tax for the year	256	290
Other Comprehensive income	-4	-3
Total comprehensive income	252	287
Add: Profit brought forward	804	610
Transition impact of IndAs 116	3	0
Less: Dividend and Dividend Tax*	101	83
Transfer to General Reserve	10	10
Balance Profit carried to Balance Sheet	942	804

*Pertains to previous years

3. Dividend

Your Directors recommend for your approval, a dividend of 165% (₹16.50 per share), subject to tax, for the year ended March 31, 2020 on 6,22,76,440 equity shares of ₹ 10/- each fully paid-up, compared to 135% (₹ 13.50/- 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 ₹ 102.76 crores (excluding dividend distribution tax as the same is not applicable from FY 2020-21) compared to ₹ 101.37 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, 2020, 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 1.7 % from ₹ 1640 crores in the previous year to ₹ 1668 crores.

The Profit Before Tax (PBT) was ₹ 352 crores against ₹ 433 crores in the previous year. The Profit After Tax (PAT) was ₹ 252 crores against ₹ 287 crores in the previous year.

During the year under review, your Company continued its momentum of growth despite the challenges it faced in the Automotive sector, geo-political uncertainties, considerable headwinds in the business environment and currency volatility in some currencies coupled with the unprecedented Pandemic Covid-19 situation in mid March 2020.

6. Management Discussion and Analysis

Industry Outlook

As per Nasscom's projections in February 2020, Indian IT services is slated to grow slower at 6.7% in FY2020.



The industry is cautiously optimistic about the future due to global macroeconomic uncertainties.

Geopolitical risks and foreign exchange rate volatility, coupled with some slowdown in key industries such as automobiles, continue to present challenges for growth in FY21. However, tech and digital spend by customers across verticals are set to increase, providing opportunities for service companies to pivot themselves and engage with customers.

Amidst all this, the spread of the COVID pandemic across key geographies and countries that your Company operates in, presents new challenges and business uncertainties across geographies and industry segments, at-least for the short term.

The automotive industry has seen a difficult year in 2019 with global sales stagnant and even dipping in key markets. In the first quarter of CY2020, the industry has been impacted significantly by COVID-19 for both demand in China that is the world's largest auto market and as well as the supply chain for parts and components which are manufactured in China. This is expected to have an impact on R&D and engineering spend on new programs in the short and medium term.

The media and telecom industry in general is expected to be neutral to the impact of the pandemic, with certain services such as in-home connectivity, home broadband and OTT services seeing higher uptake as the white collar workforce shifts to work-from-home. Capex and technology spend may be muted for the initial half year, but is expected to pick up subsequently.

China's deeply entrenched roots in the smartphone and display industry is expected to impact the consumer electronics industry significantly. With the first few months of 2020 being impacted by dip in sales globally as well as supply chain issues due to high dependence on China for key components supply and manufacturing, recovery in this segment is expected to stretch over the rest of the year. In general, discretionary spending on consumer electronics goods is expected to dip, thereby disrupting new product development and R&D investments in the short and medium term.

Demand for healthcare services will continue to increase, with demand for online health consulting/telemedicine platforms picking up significantly.

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 grew by 1.3% from ₹ 1543 crores in the previous year to ₹ 1563 crores in FY20. The segment profit decreased by 10% from ₹ 456 crores during the last year to ₹ 410 crores in FY20.

This segment was significantly impacted in the first quarter of FY20 due to an unanticipated and sudden reduction in business volume from a key customer in the automotive sector, due to their business situation. The Company rallied to mitigate the impact of this sudden reduction in revenues through a set of actions to drive growth through other customers, redeployment of the available team into other accounts, and acceleration of new customer acquisition and diversification strategies to de-risk revenue dependency from this particular customer.

Your company has done well in recovering from this situation in the first quarter, with strong execution of its strategies and excellent operational management, to grow strongly in the subsequent quarters.

Customer experience continues to be a key focus for our customers across industries, and the increased permeation of software, electronics, and digital technologies enables bigger opportunities for innovation and differentiation in the delivery and personalization of the end-to-end customer experience.

This requires 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.

Your Company has been investing in key digital technologies over the past few years 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.

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.

The dominant trends of Autonomous, Connected, Electric, and Shared Mobility (ACES) in the automotive market, are enabled by the advancement of technology in electronics and software. This will result in different user behaviors and mobility preferences, shifting value pools, innovative business models, and new entrants into the automotive sector.

The growing digitalization of the cockpit makes the connectivity of vehicles among the top trends in 2020. Connected cars are expected to evolve even further, providing enhanced personalization options to users that are similar to what they have come to expect from their smartphones.

Your Company has partnered with Tata Motors in developing their unified Connected Vehicle Platform that powers the Nexon EV range of electric cars. With a collaborative approach, Tata Motors & Tata Elxsi developed a cloud based IoT Platform which provides Tata Motors with a common standard technology stack that delivers the scalability and high performance required to support the entire range of electric, commercial and passenger vehicles.

Your company is investing in strengthening capabilities in the development of Electric vehicles, including control software development, battery management systems, and validation.

We continue to invest in the development of IP in select areas, to create new monetization opportunities and demonstrate expertise in specific areas of future growth.

Your Company has licensed its AUTOSAR Software stack to Great Wall Motors, China's largest SUV and pickup manufacturer. This will help accelerate the development of connected autonomous and driverless vehicles. This win also strengthens our presence in China, now the world's largest automotive market.

Your Company's AR-V2X solution won the Silver at the AutoSens Awards in Germany, joining industry leaders such as Daimler and General Motors who also received this prestigious award in various categories.

Tata Elxsi's AR-V2X is a first-of-its-kind solution that fuses the concept of Augmented Reality and Connected Car testing. This product is a result of the innovation and synthesis of Tata Elxsi's capabilities in Automotive, Communication, and Visual Computing technologies.

Your Company participated in leading trade shows and events across geographies, such as the CES 2020 (Consumer Electronics Show) in Las Vegas, Automotive Testing Expo in Chennai, and Europe ELIV in Germany, 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.

The availability of high-speed home internet, increased penetration of smartphones and 4G connectivity has seen a proliferation of OTT consumption across the world. Many players in the TV value chain are reaching consumers directly. Content creators, traditional broadcasters, cable and MVPD companies are launching their own Direct-to-Consumer (D2C) offerings and making their content available across a much-expanded list of devices and platforms, to remain relevant.

Your company has built differentiated capabilities to support the development and launch of OTT services, and is well poised to benefit from this long-term trend.

Your Company has partnered with ZEE5, India's largest, most comprehensive digital entertainment platform offering the best of Originals, Indian and International Movies and TV shows, Music, Live TV, and Health and Lifestyle content - across 12 languages.

Tata Elxsi has driven the integration of ZEE5 with the video backend, multi-lingual front-end user experience, and multi-CDN networks. At the device level, the Tata Elxsi teams have powered the next generation voice-



based user interfaces and integration across platforms including Android, iOS, Web as well as Android TVs.

Your Company is actively building its ecosystem of partnerships with world-leading technology providers. It has been selected by Google Widevine as a Certified Widevine Implementation Partner for content protection.

Your Company also works with leading telecom operators in their digital and network transformation journeys, supporting integration, workflow automation and roll-out of new services.

We continue to participate in leading international industry events such as IBC (International Broadcasting Convention) in Amsterdam, SDNNFV India Congress in Mumbai, Video Exchange Asia in Bangkok, and RDK Americas in Philadelphia 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.

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.

This business continues to deliver integrated services for customers along with the technology and software development business, enabling differentiation and added value, even as it addresses independent design projects in other sectors such as FMCG and consumer appliances.

Your Company was selected by DishTV to develop 'Orbit', the new user interface (UI) for both its brands DishTV & d2h. This enables subscribers with a seamless TV and online viewing experience. The new interface will leverage artificial intelligence and machine learning to make it easier to find content on TV where users are restricted to traditional remotes. In this project, both the technology and design teams work seamlessly to deliver this project for DishTV.

Your Company has won its second iF Design Award this year after the first one in 2017. Tata Elxsi won this world renowned award for design excellence, for its innovative and exceptional design concept for a Mixed Reality (MR) Based Smart Assistive Wearable Device. These devices have been designed to help people with special needs such as Autism or Alzheimer's to deal with social situations, which they might otherwise find difficult.

Your Company also won two 'India's Best Design Awards' (IBDA) for Packaging Design for Sunny Sun-lite oil and Product Design for Orient Ultimo tower cooler. The jury recognized our work for innovative design and the ability to solve customer pain-points through unique features we developed for each of these products. Going beyond the awards, both the products have been very well received in the market, reiterating the impact our design made on driving strategic business growth for our customers.

Systems Integration and Support

During the year under review, our Systems Integration & Support segment reported a turnover of ₹ 47 crores and profit of ₹ 6 crores.

Your Company implements and integrates complete systems and solutions for specialized applications such as Experience Centers, Training and Safety, and Design Visualisation. This year, your Company executed prestigious projects towards Experience Centers for some of the best known corporates across sectors, and is poised to build on this success further.

We continue to strengthen our solution portfolio to address emerging digital technology needs with our customers, including Professional services for cloud and infrastructure management, Virtual Reality (VR), 3D Printing and Robotics.

Threats, concerns, and risks

The COVID-19 outbreak isn't just a massive pandemic that the world worries about; it presents elevated levels of risk for global economies as well. Market intelligence predicts businesses across the globe to be uncertain as China, US, UK and major European countries affected, struggle to cope with the epidemic.

The short and medium term outlook and impact of COVID in the key industries that your company operates in, have been summarized under the industry outlook section.

Geopolitical risks and forex volatility are expected to play out for some time, and protectionist policies may impact business in certain geographies. However, the value proposition of your company of combining design



and technology to solve problems, deep technology capabilities, diversified talent pool, and execution excellence that has been built over many years continues to be relevant for today and the future.

A majority of your company's revenue comes from outside India in international currencies, and the majority of the delivery team is based in India. We have seen the weakening of the Rupee against US Dollar, while the depreciation against the British Pound and Euro has been less marked. In any case, strengthening of these foreign currencies will only aid the company's top-line and bottom-line.

Tata Elxsi's overseas revenue is mainly distributed across Euro, British Pound 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.

First and foremost, the management team is working diligently to ensure the health and well-being of our employees worldwide. We also in parallel, continue to update our business continuity plans to minimize any disruptions to the services we deliver to our clients. We have taken comprehensive measures to enable effective work from home for our employees, including workstations and laptops, secure remote network access and collaboration tools.

Internal Control Systems and their adequacy

Your company has an Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee of the Board. The internal auditor monitors and evaluates the efficacy and adequacy of the internal control system in the

Company, its compliance with operating systems, accounting procedures and policies of the Company. 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.

Risk Management

Your company has developed and implemented a Board approved Risk Management Policy that ensures appropriate management of risks which aligns with its internal systems and culture. Moreover, it has a well defined Enterprise Risk Management (ERM) framework that is designed to enable risks identification, assessment, mitigation, monitoring and reporting. The risk management process encompasses a spectrum of strategic, operational, financial, compliance and cyber security risks that your company is exposed to. Further, it is also embedded across all the major functions of the organisation. The Risk Management Committee, comprising of Directors and the Chief Financial Officer, assist the Board in overseeing the responsibilities with respect to identification, assessment and mitigation of these risks.

Financial Analysis

Particulars	2019-20	2018-19	Change over previous year %	Percentage of Income	
	₹ In Crores			2019-20	2018-19
Sales and services	1610	1597	1	97	97
Other income	58	43	35	3	3
Total Revenues	1668	1640	2	100	100
Cost of sales	81	99	-18	5	6
Personnel expenses	951	843	13	57	51
Financial expenses	6	-	-	-	-
Depreciation/ Amortization	43	25	72	3	2
Other expenses	235	240	-2	14	15
Total Expenditure	1316	1207	9	79	74
Profit before tax and exceptional items	352	433	-19	21	26
Tax expenses	96	143	-33	6	9
Profit after tax for the year	256	290	-12	15	18



Analysis of Overheads

Particulars	2019-20	2018-19	Variance %
	₹ Crs	₹ Crs	
Communication expenses	7.35	8.13	(9.59)
Inland travel and conveyance	7.90	8.53	(7.39)
Overseas travel	68.02	66.24	2.69
Advertisement and Sales Promotion	8.39	7.88	6.47
Legal and Professional Expenses	13.16	14.25	(7.65)
Consultant fees for software development	70.12	61.71	13.63

Significant Ratio Analysis

Sl. No.	Particulars	Unit	31.03.2020	31.03.2019
1	Earnings before interest, depreciation and tax/Sales	%	24.90	28.67
2	Profit before tax/ Sales	%	21.86	27.11
3	Profit after tax/ Sales	%	15.90	18.16
4	Current Ratio*	No. of times	5.53	5.36
5	Earnings per share	Rupees	41.12	46.56

*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 the 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 34% 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 6577 as of March 31, 2020.

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. We are also certified for design and development of medical devices with ISO 13485:2016 certification, and Automotive SPICE® Level 5 certification for the transportation business. In addition, our facilities now comply with the rigors of ISO 45001:2018, an international standard on Occupational Health and Safety. This year our Trivandrum and Pune facilities were certified for TISAX (Trusted Information Security Assessment Exchange), a new assessment and exchange mechanism for information security focused towards automotive industry.

Directors and Key Managerial Personnel

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

Mr. Madhukar Dev CEO & Managing Director retired on October 01, 2019 in terms of the Tata Policy as applicable to the Managing Directors and Executive Directors. The Board placed on record their appreciation for the exemplary leadership of Mr. Dev during his services with the Company.

Mr. Manoj Raghavan who has been with the Company for more than two decades has been appointed as the CEO & Managing Director of the Company, for period of 3 years from October 02, 2019 until October 01, 2022.



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 had been circulated to all the directors detailing the schedule of Board and Committee meetings during 2019-20.

Pursuant to the provisions of Section 149 of the Act, the Independent Directors have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). There has been no change in the circumstances affecting their status as Independent Directors of the Company. Pursuant to Clause VII (1) of Schedule IV of the Companies Act, 2013 the Independent Directors had a separate meeting on April 24, 2019.

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

Pursuant to the provisions of section 203 of the Companies Act, 2013, the Key Managerial Personnel (KMP) of the Company are Mr. Madhukar Dev, CEO & MD (until October 01, 2019), Mr. Manoj Raghavan, CEO & MD (w.e.f October 02, 2019); 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 2019-20.

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 the Company and that such internal financial controls are adequate and were operating effectively.
- f. The Directors have devised proper systems to ensure compliance with provisions of all applicable laws and that such systems were adequate and operating effectively.

8. Particulars on Remuneration

Statement containing particulars of top 10 employees and the employees drawing remuneration in excess of limits prescribed under Section 197 (12) of the Act read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the Annexure forming part of this report. In terms of proviso to Section 136(1) of the Act, the Report and Accounts are being sent to the shareholders excluding the aforesaid Annexure. The said Statement is also open for inspection at the Registered Office of the Company, up to the date of the ensuing Annual General Meeting. Any member interested in obtaining a copy of the same may write to the Company Secretary.

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*	-
Mrs. S. Gopinath	14.13
Prof. M.S. Ananth	9.38
Mr. Sudhakar Rao	8.75
Mr. Ankur Verma*	-
Mr. Patrick McGoldrick (Upto July17, 2019)^	-
Executive Directors	
Mr. Madhukar Dev, CEO & MD (upto October 01, 2019)^	-
Mr. Manoj Raghavan, CEO & MD (from October 02, 2019)^	-

For Non-Executive Director only Commission is considered.

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

^ since the information is part of the year, either current or past, the same is not comparable.

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

Directors, CEO & Managing Director, Chief Financial Officer and Company Secretary	% increase in the remuneration of Directors/KMP in the Financial year
Mr. N G Subramaniam**	-
Mrs. S. Gopinath	(2.59)
Prof. M.S. Ananth	8.70
Mr. Sudhakar Rao	(6.67)
Mr. Ankur Verma**	-
Mr. Patrick McGoldrick (up to July 17, 2019)^	-
Mr. Madhukar Dev, CEO & MD (up to October 01, 2019)^	-
Mr. Manoj Raghavan, CEO & MD (from October 02,2019)^	-
Mr. Muralidharan H.V, CFO	10
Mr. G Vaidyanathan, Company Secretary	10

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

^ since the information is for the part of the year, either current or past, the same is not comparable.

- (iii) The percentage increase in the median remuneration of employees in the financial year: 3.33%
- (iv) The number of permanent employees on the rolls of company: 6577 (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 2019-20 was 10 %. Percentage increase/(decrease) in the managerial remuneration for the year was (36.46%).

- (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 the Remuneration Policy)
- Subsidiary Oversight
- Code of Conduct (Managing Director, Executive Director, Non-Executive Directors, Independent Directors)
- Board effectiveness review
- Mandate of the Board Committee

The Remuneration Policy and the Charter for NRC are available at <https://www.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 <https://www.tataelxsi.com/investors/tata-elxsi-csr-policy.pdf>. 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, 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 falls 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 and Annual Certification

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, 2020 is attached to the Directors' Report at page No. 46.



16. Extract of annual return

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, the extract of the annual return for 2019-20 in the prescribed Form No. MGT-9, which is a part of this report. The same is also available on www.tataelxsi.com

17. Prevention of Sexual Harassment

We have zero tolerance for sexual harassment at workplace and have adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints under the above Act. Two complaints were received by the local ICC during the year under review, the same has been redressed to the satisfaction of the complainant.

18. 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.

19. Others

There are no loans, guarantees and investments made by the Company 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.

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.

The Unclaimed Dividend in respect to the financial year 2012-13 is due for remittance to Investors’ Education & Protection Fund (IEPF) on August 28, 2020 in terms of Section 125 of the Companies Act, 2013.

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 27,760 equity shares pertaining to those shareholders who have not claimed their dividend for 7 consecutive years since 2012, to the IEPF account on September 17, 2019. So far, the Company has transferred 308,770 equity shares to the IEPF account.

20. 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.

21. Acknowledgements

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

For and on behalf of the Board

N. G. Subramaniam
Chairman

Bengaluru, April 20, 2020



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 business units 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 1.42 % of revenue towards in-house R&D projects. We intend to continue investing in technology IP development, especially those related to automotive, broadcast and communication

Expenditure incurred in the R&D centers and innovation centers during the financial year 2019-20 are given below:

- i. Capital : Nil
- ii. Recurring : ₹22.83 crores
- iii. Total : ₹22.83 crores
- iv. Total R & D expenditure as a total percentage of turnover: 1.42 %

3. Foreign Exchange earnings and outgo

Export revenue constituted 87% of the total revenue in financial year 2019-20

	(₹ In Crores)
Foreign exchange earnings	1,417.41
CIF Value of imports	27.33
Expenditure in foreign currency	526.93

For and on behalf of the Board

N. G. Subramaniam
Chairman

Bengaluru, April 20, 2020



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 2019-20.

- (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 20, 2020

ANNUAL AFFIRMATION REGARDING COMPLIANCE WITH THE CODE OF CONDUCT

The Company has adopted a Code of Conduct for all its employees, including the Managing Director. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors, both these codes are available on the Company’s website www.tataelxsi.com.

I hereby confirm that all Board members and senior management personnel have affirmed compliance with the Code of Conduct applicable to them in respect of the year ended March 31, 2020.

Manoj Raghavan
Managing Director

April 20, 2020



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, 2019 to March 31, 2020
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 eleven design and development centers and five 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): 1,66,827.29 Lakhs
3. Total profit after taxes (INR): 25,610.01 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 Flood Relief	582.41 Lakhs

* Please refer to the CSR Report in Page No. 36 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: 8458315
 2. Name: Mr. Manoj Raghavan
 3. Designation: Chief Executive Officer & Managing Director



b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	-
2	Name	Dr. 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
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/BRR1920.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 2019-20.

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. This year, we developed an MR based Smart Assistive Wearable Devices designed for people with Autism or Alzheimer's. Patients of Autism and Alzheimer's struggle to interact with the outside world.

These devices are designed to help people with special needs to deal with social situations, which they might otherwise find difficult. The devices employ Mixed Reality by taking information from input devices like discrete wearable cameras driving facial and environment recognition and microphones, then feeding back to the user using earphones/ earbuds and sound collars. These devices, in turn, help users to participate in social interactions by giving them subtle guides in the form of audio cues. We were recognized by the iF Design Award™ team for excellence in Design for its innovative and exceptional design concept.

- b) Social Concerns:** We have developed, integrated point-of-care diagnostic device for Malaria and Sickle 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. Our AR-V2X, which is a first-of-its-kind solution, fuses the concept of Augmented Reality and Connected Car testing. It creates virtual infrastructure & virtual cars, based on the user's configuration. All that is needed is a single car for performing 'vehicle to everything' in field testing and this can be done on any road across the world, without requiring any real-world deployments. This product is a result of the innovation and synthesis of Tata Elxsi's capabilities in Automotive, Communication, and Visual Computing technologies. AR-V2X is highly beneficial for OEMs and Tier 1s wanting to perform V2X testing on roads, without incurring the costs and logistics required for setting-up test tracks and V2X infrastructure. This solution has won the Silver at AutoSens Award™ under the Best Validation & Simulation Tool category.
- 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. One of our inventor patent application is on thermal management systems that proposes a simple, light-weight and cost-effective cooling mechanism employing a telescopic duct for precise and localized control of battery operation parameters for individual battery cells and can be used in hybrid vehicles.



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 Tata Code of Conduct 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.

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.

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 upkeeping 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: 6577
- 2. Please indicate the Total number of employees hired on temporary/contractual/casual basis: 252 consultants
- 3. Please indicate the Number of permanent women employees: 2199
- 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

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	02	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 - 72%
 - (b) Permanent Women Employees – 84%
 - (c) Casual/Temporary/Contractual Employees – 37%
 - (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 17 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.

The company's Occupational Health and Safety Management System complies with the requirements of ISO 45001:2018. Towards this, effective from November 20, 2019, our facility in Trivandrum Development Center is certified. All procurement of materials that are hazardous to human or environment (E.g. Fuel, Batteries) are tagged suitably, and are handled with due safety precautions, from receiving until the end of their life cycle.

A few examples of our other 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?

Yes, Tata Elxsi Occupational Health and Safety Management System (in line with Clause 6.1.2 of ISO 45001:2018, Hazard Identification and Assessment of Risks) identifies potential risks (including environmental



risk) and manages the same. The risks and their management is detailed in the Risk Register. Having said that, the nature of our business does not entail assets and/or processes with significant environmental footprints.

Our other ongoing initiatives on energy, emissions and waste are 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.

Since the last four years, our flagship programmes have been Shiksha and Niramay. Tata Elxsi thrives on cutting edge technology. Therefore, the natural urge to empower young minds in our communities with knowledge, to prepare them for a bright future, by creating the necessary facilities. One significant part of our business is associated with the field of Healthcare and patients. Niramay came out of the necessity of making critical healthcare available to the needy. Our Shiksha program today benefits 140 students in various stages of education (Primary school to PhD programs) including 30 girl students from backward communities, 10 orphans, 30 spastics and 20 physically disabled students. Our Niramay program helps the needy by providing financial support for life-saving treatments, extending quality medical care in slums and palliative care for the terminally ill. We have touched the lives of 20,000+ patients across the country through Niramay.



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. Programs have been chosen carefully to impact end beneficiaries directly. Procedure of reporting has been laid down very clearly.

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 ₹582.41 lakhs 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 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, RASA (Ramana Sunritya Aalaya), Indian Institute of Science, Vishranthi Trust, Samarthanam Trust and Karunashraya in Bangalore, Sri Chitra Tirunal Hospital in Trivandrum, Adyar Cancer Hospital and IIT in Chennai and KEM Hospital in Pune. Our association with FAEA (Foundation for Academic Excellence and Access) is for a national education mission for girl students from SC/ST communities.

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

ANNEXURE “D” TO THE 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 are designed to:

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

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

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

CSR Policy has been adopted and the same is available on the Company's Website at the following link:

<https://www.tataelxsi.com/investors/tata-elxsi-csr-policy.pdf>.

2. The Composition of the CSR Committee:

Mr. Sudhakar Rao, Chairman (Independent Director)

Mrs. S. Gopinath, Member (Independent Director)

Mr. Manoj Raghavan, Member (CEO & MD)

3. Average net profit of the Company for last three financial years: ₹ 29,112.50 lakhs

4. Prescribed CSR Expenditure (two percent of the amount as in Item No. 3 above) : ₹ 582.25 lakhs

5. Details of CSR spent during the financial year:

(a) Total amount to be spent for the financial year : ₹ 582.41 lakhs

(b) Amount unspent, if any: **NIL**

(c) Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
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 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) Over heads	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency
1	Providing Aid to Cancer Patients those 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	₹ 210.00 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 the current year (Aggregate impact 765 Patients)
2	Providing Aid to Heart Patients those 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	₹ 216.00 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 the current year (Aggregate impact 400 patients).
3	Providing Aid to Heart and Neurology Patients those who could not afford the medical expenditure	Promotion of Health Care	Sree Chitra Tirunal Institute for Medical Science & Technology (SCTIMST) under DST, Trivandrum (Kerala)	₹ 60.00 lakhs	Direct- ₹ 60.00 lakhs	₹ 260.00 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 fore the current year (Aggregate impact 482 Patients)



(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 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) Over heads	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency
4	Providing Aid to Heart, Cancer and Neurology Patients those who could not afford the medical expenditure	Promotion of Health Care	Baptist Hospital, Bengaluru, Karnataka	₹ 40.00 lakhs	Direct - ₹ 40.00 lakhs	₹ 101 lakhs	Direct - ₹ 40 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. (Beneficiaries 19,658)
5	Providing Aid to Cancer Patients those who could not afford the medical expenditure	Promotion of Health Care	Cancer Institute, Adyar, Chennai, Tamil Nadu	₹ 50.00 lakhs	Direct - ₹ 50.00 lakhs	₹ 100 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 the current year. (Aggregate impact 185 patients)
6	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	₹ 60.00 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 (Aggregate impact 59 patients).
7	Provision of Medicines for the inmate of the Hospice	Promotion of Health Care	Karunashraya, Bangalore	₹ 1.00 lakhs	Direct - ₹ 1.00 lakhs	₹ 1.37 lakhs	Direct: Funded ₹ 1.00 lakh to Karunashraya Bangalore Hospice Trust for provision of medicines for the inmates at the hospice.
8	Providing financial assistance for post surgeries of children from needy families	Promotion of Health Care	Children Airway and Swallowing centre, Bangalore	₹ 15.00 lakhs	Direct - ₹ 15.00 lakhs	₹ 15.00 lakhs	Direct- Children Airway and Swallowing Centre is a Center of Excellence conducting charitable surgeries since the last 18 years for children (aged between 2 days and 14 years) referred from various government and private hospitals. The team of doctors work for free. Manipal Hospital, Bangalore gives free beds for these patients. Many of them have already undergone cardiac surgeries or have been on ventilatory support in Intensive Care Units. The contribution of ₹ 15 lakhs is towards cost of treatment including medicines the impact of which will aid 22 children.

(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 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) Over heads	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency
9	Providing Financial assistance for undertaking relief activities in the areas affected by flood in Karnataka	Flood Relief	Karnataka State Disaster Management Authority, Karnataka	₹ 25.00 lakhs	Direct- ₹ 25.00 lakhs	₹ 25.00 Lakhs	Direct - Contributed to Karnataka State Disaster Management Authority Fund for undertaking relief activities in the areas affected by the flood. Impact of the aid cannot be ascertained as the amount was contributed to the Fund.
10	Providing Financial assistance for undertaking research	Promotion of Education	Indian Institute of Technology, Madras	₹ 100.41 lakhs	Direct ₹ 100.41 lakhs	₹ 100.41 lakhs	Direct : Indian Institute of Technology, Madras for undertaking Project 1 - Systems Security - Network and system log analytics; Project 2 - Functional safety for Next generation Automotive systems; Project 3 - Next Generation Communication Network Architecture. Expected deliverables - Network system components, AI/ML models, Audit methodologies and Analytics. The grant request is for ₹ 2 Crore over a period of two years. Project 2 is expected to consume 60% of the grant, the two other projects will consume the balance 40%. All output from the project will be in open source with IIT-M as the copyright holder.
11	Aid for setting up research Laboratory	Promotion of Education	Indian Institute of Science, Bengaluru, Karnataka	₹ 76.00 lakhs	Direct - ₹ 76.00 lakhs	₹ 76.00 lakhs	Direct : Indian Institute of Science, Bangalore for setting of a Laboratory to develop manpower in Artificial Intelligence and related areas by training students under the M.Tech (AI) program so as to develop leadership in the field of AI. Mission: Realise this vision by imparting rigorous training in the foundations and the deep technologies of AI and by conducting high impact research to generate new knowledge. The lab will directly benefit training of M.Tech students for the next 5 years. About 250 students doing M.Tech AI program will directly benefit from the laboratory. Besides this other researcher in this area will also benefit from the infrastructure. The total outlay is ₹ 185 lakhs payable over a two years period.



(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 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) Over heads	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency
12	Education for ensuring employment	Promotion of Education	Pan India	₹ 21.00 lakhs	Direct - ₹ 21.00 lakhs	₹ 63 lakhs	Foundation for Academic Excellence and Access (FAEA) (Implementing Agency) - Contributed to support 30 (thirty) Girls Students from SC/ST communities for Under Graduate education.
13	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	₹ 30.00 lakhs	Direct - Funded RASA to defray its Bangalore centre expenses for the calendar year 2020. RASA Bangalore center primarily deals with students with ADHD, Autism, Downs' Syndrome and Dyslexia.
14	Providing Home, Medical and Education to destitute Children	Promotion of Education	Vishranthi Trust, Bengaluru, Karnataka	₹ 6.00 lakhs	Direct - ₹ 6.00 lakhs	₹ 12.00 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.
15	Providing Financial Assistance for the education of disable children	Promotion of Education	Samarthanam Trust	₹ 10 lakhs	Direct - ₹ 10.00 lakhs	₹ 10 lakhs	Direct : Samathanam Trust towards defraying their expenses for the education of disabled children.
TOTAL (A)				₹ 554.41 lakhs			
16	Allowable expenditure (overheads) towards personnel & administration expenses for CSR team			₹28.00 lakhs	Overheads - ₹ 28.00 lakhs	₹ 28.00 lakhs	Apportioned compensation for CSR staff, travel expenses for CSR activities and the working hours utilized by TE personnel for supervision of the CSR activities.
Total (B)				₹ 28.00 lakhs			
Total A + B				₹ 582.41 lakhs			

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

Bengaluru
April 20, 2020

Manoj Raghavan
Managing Director

Sudhakar Rao
Chairman, CSR Committee



FORM NO. MGT -9

EXTRACT OF ANNUAL RETURN
as on the financial year ended 31st March 2020

[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, Bangalore-560048 Tel: 080 2297 9123 email: investors@tataelxsi.co.in website:www.tataelxsi.com
vi) Whether listed or unlisted Company (Yes/No):	Listed TSR Consultants Private Limited
vii) Name, Address and Contact details of Registrar and Share transfer Agents:	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	97.08

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. 01.04.2019				No. of Shares held at the end of the year i.e. 31.03.2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoters									
(a) Individuals / Hindu Undivided Family	-	-	-	0.00	-	-	-	0.00	0.00
(b) Central Government / State Governments(s)	-	-	-	0.00	-	-	-	0.00	0.00
(c) Bodies Corporate	2,77,30,264	-	2,77,30,264	44.53	2,77,30,264	-	2,77,30,264	44.53	0.00
(d) Financial Institutions / Banks	-	-	-	0.00	-	-	-	0.00	0.00
(e) Any Other (specify)	-	-	-	0.00	-	-	-	0.00	0.00
Sub-Total (A) (1)	2,77,30,264	-	2,77,30,264	44.53	2,77,30,264	-	2,77,30,264	44.53	0.00
(2) Foreign									
(a) Individuals (Non-Resident Individuals /Foreign Individuals)	-	-	-	0.00	-	-	-	0.00	0.00
(b) Bodies Corporate	-	-	-	0.00	-	-	-	0.00	0.00
(c) Institutions	-	-	-	0.00	-	-	-	0.00	0.00
(d) Qualified Foreign Investor	-	-	-	0.00	-	-	-	0.00	0.00
(e) Any Other (specify)	-	-	-	0.00	-	-	-	0.00	0.00
Sub-Total (A) (2)	-	-	-	0.00	-	-	-	0.00	0.00
Total Shareholding of Promoter and Promoter Group (A)	2,77,30,264	-	2,77,30,264	44.53	2,77,30,264	-	2,77,30,264	44.53	0.00
(B) Public Shareholding									
(1) Institutions									
(a) Mutual Funds / UTI	16,95,018	200	16,95,218	2.72	13,38,904	200	13,39,104	2.15	-0.57
(b) Financial Institutions / Banks	3,66,456	400	3,66,856	0.59	44,359	400	44,759	0.07	-0.52
(c) Central Government / State Governments(s)	-	-	-	0.00	-	-	-	0.00	0.00
(d) Venture Capital Funds	-	-	-	0.00	-	-	-	0.00	0.00
(e) Insurance Companies	2,72,892	-	2,72,892	0.44	3,26,500	-	3,26,500	0.52	0.09
(f) Foreign Institutional Investors	-	-	-	0.00	-	-	-	0.00	0.00
(g) Foreign Venture Capital Investors	-	-	-	0.00	-	-	-	0.00	0.00
(h) Qualified Foreign Investor	-	-	-	0.00	-	-	-	0.00	0.00
(i) Foreign Financial Institutions	-	2,300	2,300	0.00	-	2,300	2,300	0.00	0.00
(j) Foreign Portfolio Investors (Corporate)	59,50,698	-	59,50,698	9.56	66,68,361	-	66,68,361	10.71	1.15
(k) Any Other Alternate Investment Funds	9,48,263	-	9,48,263	1.52	5,78,746	-	5,78,746	0.93	-0.59
Sub-Total (B) (1)	92,33,327	2,900	92,36,227	14.83	89,56,870	2,900	89,59,770	14.39	-0.44
(2) Non-Institutions									
(a) Bodies Corporate	27,51,297	5,725	27,57,022	4.43	25,20,153	5,625	25,25,778	4.06	-0.37
(b) Individuals -									
i Individual shareholders holding nominal share capital upto ₹ 1 lakh	1,96,73,368	20,65,389	2,17,38,757	34.91	2,08,02,823	18,42,139	2,26,44,962	36.36	1.46
ii Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	7,20,926	-	7,20,926	1.16	3,69,408	-	3,69,408	0.59	-0.56
(c) Qualified Foreign Investor	-	-	-	0.00	-	-	-	0.00	0.00
(d) Any Other	-	-	-	0.00	-	-	-	0.00	0.00
i Trusts	91,044	-	91,044	0.15	44,058	-	44,058	0.07	-0.08
ii Directors & Relatives	2,200	-	2,200	0.00	2,000	-	2,000	0.00	0.00
Sub-total (B) (2)	2,32,38,835	20,71,114	2,53,09,949	40.64	2,37,38,642	18,47,764	2,55,86,406	41.09	0.44
Total Public Shareholding (B) = (B)(1)+(B)(2)	3,24,72,162	20,74,014	3,45,46,176	55.47	3,26,95,512	18,50,664	3,45,46,176	55.47	0.00
TOTAL (A)+(B)	6,02,02,426	20,74,014	6,22,76,440	100.00	6,04,25,776	18,50,664	6,22,76,440	100.00	
(C) Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	0.00	-	-	-	0.00	0.00
GRAND TOTAL (A)+(B)+(C)	6,02,02,426	20,74,014	6,22,76,440	100.00	6,04,25,776	18,50,664	6,22,76,440	100.00	

ii) Share Holding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2019			Shareholding at the end of the year 31.03.2020			% 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 Private Limited	26,295,264	42.22	-	26,295,264	42.22	-	-
2	Tata Investment Corporation Limited	1,435,000	2.30	-	1,435,000	2.30	-	-
		27,730,264	44.53	0.00	27,730,264	44.53	0.00	0.00

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

Sl. No.	Shareholding at the beginning of the		Cumulative Shareholding during the	
	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company

At the beginning of the year
Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):

THERE IS NO CHANGE IN PROMOTER HOLDING

At the End of the year

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

S. No	Name of the Shareholder	No of shares as on 01.04.2019	No of shares as on 31.03.2020	Net Changes	% to Capital
1	J P Morgan Funds	800,311	1,434,870	634,559	2.30
2	Somerset Emerging Markets Small Cap Fund Llc	0	792,975	792,975	1.27
3	Axis Mutual Fund Trustee Limited A/C Axis Mutual Fund A/C Axis Small Cap Fund	6,400	715,602	709,202	1.15
4	California State Teachers Retirement System - Aqr Capital Management, Llc 1	0	596,271	596,271	0.96
5	Somerset Small Mid Cap Em All Country Fund Llc	0	539,536	539,536	0.87
6	General Insurance Corporation Of India	100,000	310,500	210,500	0.50
7	Tata Equity Savings Fund	342,000	297,000	-45,000	0.48
8	Invesco India Equity Fund	0	280,000	280,000	0.45
9	Chetan Jayantilal Shah	300,000	250,000	-50,000	0.40
10	Slg International Opportunities, L.P	247,813	247,813	0	0.40
11	Alchemy Leaders Of Tomorrow	175,000	240,000	65,000	0.39
12	Emerging Markets Core Equity Portfolio (The Portfolio) Of Dfa Investment Dimensions Group Inc. (Dfaidg)	226,824	226,824	0	0.36
13	The Northern Trust Company As Trustee Of The Illinois Municipal Retirement Fund	0	211,453	211,453	0.34
14	Ups Group Trust	295,127	207,707	-87,420	0.33
15	Ishares Core Emerging Markets Mauritius Co	333,389	199,019	-134,370	0.32



S. No	Name of the ShareHolder	No of shares as on 01.04.2019	No of shares as on 31.03.2020	Net Changes	% to Capital
16	IIFL Focused Equity Fund	0	193,174	193,174	0.31
17	Superannuation Arrangements Of The University Of London	0	190,597	190,597	0.31
18	The Emerging Markets Small Cap Series Of The Dfa Investment Trust Company	132,247	123,460	-8,787	0.20
19	Ramesh Damani	119,408	119,408	0	0.19
20	Emkay Emerging Stars Fund	0	104,024	104,024	0.17

The Equity shares of the Company are traded on a daily basis and hence the date wise increase / decrease is not indicated. Shareholding is consolidated 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	Manoj Raghavan	1/4/2019	At the beginning of the year	0	0.00	0	0.00
			Increase/(Decrease)	2000	0.00	0	0.00
			31/3/2020 At the end of the year	2000	0.00	2000	0.00
2	G Vaidyanathan	1/4/2019	At the beginning of the year	104	0.00	104	0.00
			Increase/(Decrease)	0	0.00	0	0.00
			31/3/2020 At the end of the year	104	0.00	104	0.00
3	H. V. Muralidharan	1/4/2019	At the beginning of the year	100	0.00	100	0.00
			Increase/(Decrease)	0	0.00	0	0.00
			31/3/2020 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
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. Manoj Raghavan (MD & CEO)	Mr. Madhukar Dev (MD & CEO)	
		Amount (₹ in Lakhs)	Amount (₹ in Lakhs)	Amount (₹ in Lakhs)
1	Gross Salary	73.49	220.36	293.85
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961			
	b) Value of perquisites u/s 17(2) Income Tax Act, 1961			
	c) Profits in Lieu of Salary u/s 17(3) of the Income tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission as % of profit others, specify	138.00		138.00
5	Others, specify*	7.83	19.85	27.68
	Total (A)	219.32	240.21	459.53
	Ceiling as per Act (5% of the profit calculated u/s 198 of the Companies Act,2013)			1785.00

* Contributions to PF and super annuation

B. Remuneration to other Directors :

Sl. No.	Particulars of Remuneration							₹ In Lakhs
		Mr. P. Mc Goldrick	Mrs. Shyamala Gopinath	Prof. M.S. Ananth	Mr. Sudhakar Rao	Mr. N. G. Subramaniam	Mr. Ankur Verma	Total Amount
1	Independent Directors							
	Fee for attending Board / Committee Meetings	1.20	2.25	2.10	1.80	NA	NA	7.35
	Commission	54.00	113.00	75.00	70.00	-	-	312.00
	Others, Please Specify							
	Sub Total (1)							319.35
2	Other Non - Executive Directors							
	Fee for attending Board / Committee Meetings	NA	NA	NA	NA	1.20	1.50	2.70
	Commission					NA	NA	
	Others, Please Specify							
	Sub Total (2)							2.70
	Total (1) + (2)							322.05
	Total Managerial Remuneration (Commission)							312.00
	Ceiling as per the Act (1% of the profit calculated u/s 198 of the Companies Act, 2013)							357.00



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	87.93	113.79	201.72
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961			
	b) Value of perquisites u/s 17(2) Income Tax Act, 1961			
	c) Profits in Lieu of Salary u/s 17(3) of the Income tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission as % of profit others, specify			
5	Others, specify (contributions to PF and Superannuation)	3.77	7.41	11.18
Total		91.70	121.20	212.90

PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

There were no Penalties, Punishments or Compounding of Offences during the year ended March 31, 2020.

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2020

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

TO THE MEMBERS OF TATA ELXSI LIMITED

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit and as per the explanations and clarifications given to us and the representations made by the Management, and consideration of the relaxations granted by the Ministry of Corporate Affairs, and Securities and Exchange Board of India warranted due to the COVID 19 pandemic, We, hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 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 31st March, 2020 according to the applicable provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulations) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act,1992("SEBI Act"):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations,2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insiders Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Prohibition of Insiders Trading) Regulations, 2015
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2018 and amendments from time to time.
- (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.

As per the Minutes, All the decisions at the Board meeting and committee meeting are carried out unanimously.

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.

We further report that during the review period, no major events which had bearing on the Company's affairs in pursuance of the above referred laws rules, regulations, guidelines standards etc. have taken place.

For **Jayashree Parthasarathy & Co**
Company Secretaries

sd/-

Jayashree Parthasarathy

Proprietrix,

Place: Bengaluru
Date: 20/04/2020

FCS No 4610; CP NO. 1988
UDIN F004610B000192908

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

ANNEXURE: A

TO THE MEMBERS OF TATA ELXSI LIMITED

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on their secretarial records based on my Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices followed provide a reasonable basis for my opinion.
3. The correctness and appropriateness of the financial records and Books of accounts of the company have not been verified.

4. Wherever required, We have obtained the Management representation about the compliances of laws, Rules, Regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination is limited to verification of procedure on random test basis.
6. The Secretarial Audit is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Jayashree Parthasarathy & Co**
Company Secretaries

sd/-

Jayashree Parthasarathy

Proprietrix,

Place: Bengaluru
Date: 20/04/2020

FCS No 4610; CP NO. 1988
UDIN F004610B000192908



CERTIFICATE OF NON DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To the Members,
Tata Elxsi Limited
ITBP Road, Whitefield,
Bangalore 560048

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Tata Elxsi limited having CIN-85110KA1989PLC09968, having its registered office at ITBP Road, Whitefield, Bangalore 560068 (herein after referred to as 'the company') produced before us by the company for the purpose of issuing this certificate in accordance with regulation 34(3) read with schedule 5 para. C sub clause (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations 2015.

In our opinion and best of our belief, information and according to the verification (Including Director Identification Number(DIN) status of the respective directors at the portal www.mca.gov.in as considered necessary and written representation made by the respective directors, we hereby certify that none of the directors on the board of the company as stated below for the financial year ending on 31st march 2020 have been debarred or disqualified from being appointed or continuing as the director of the company by the securities and Exchange Board of India, Ministry of Corporate Affairs or any such other statutory authority.

Sl. No.	Name of the Director	DIN	Date of appointment
1	Sudhakara Rao	00267211	01/08/2016
2	Ananth Madaboosi Santhanam	00482391	04/01/2016
3	Shymala Gopinath	02362921	18/08/2011
4	Ganapathy Subramaniam Natarajan	07006215	01/11/2014
5	Ankur Verma	07972892	01/08/2018
6	Manoj Raghavan	08458315	02/10/2019

Ensuring the eligibility for the appointment/ continuity as the director of the board is the responsibility of the management of the company. Our responsibility is to express an opinion based on our verification and representation made by the respective directors.

This Certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Jayashree Parthasarathy & Co**
Company Secretaries

Place: Bengaluru
Date: 20/04/2020

SD/
Jayashree Parthasarathy
Proprietrix,
FCS No 4610; CP NO. 1988
UDIN F004610B000192921



COMPLIANCE REPORT CORPORATE GOVERNANCE

Mandatory Requirements:

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

The corporate governance philosophy of your Company is based on the tenets of integrity, accountability, transparency, value and ethics. As part of Tata Group, your Company has a strong legacy of fair, transparent and ethical governance. The Company constantly endeavours to create and sustain long-term value for all its stakeholders including, but not limited to, shareholders, employees, customers, business partners, suppliers, and the wider communities that we serve. The corporate governance philosophy of the Company has been further strengthened through the Tata Code of Conduct, Tata Business Excellence Model, Tata Code for Prevention of Insider Trading and Code of Corporate Disclosure Policies. The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regard to corporate governance.

2. Board of Directors

The Board comprises of members having varied skills, experience and knowledge. The Board has a mix of both Independent and Non-independent Directors. As on March 31, 2020, the Board of Directors of the Company comprised of six Directors, with three 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 fulfil 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, 2020 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 as the COO of TCS, he served as the Executive Vice President and Head of TCS Financial Solutions, a strategic business unit of TCS. Mr. Subramaniam brings in-depth knowledge 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, 2020 is as follows:

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

2. 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. The details of directorship in

other listed companies of Mrs. S Gopinath as on March 31, 2020 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

3. 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, 2020, Prof.M.S.Ananth does not hold directorship in any other listed company.

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

Mr. Sudhakar Rao is a retired Indian Administrative Service (IAS) Officer of the 1973 batch. He held various positions including Chairman & Managing Director of the Karnataka Urban Infrastructure Development and Finance Corporation (KUIDFC); Principal Secretary - Finance; Principal Secretary - Home; Principal Secretary to the Chief Minister of Karnataka; Development Commissioner and was the Chief Secretary of Karnataka until retirement from government service on September 30, 2009.

Mr. Rao holds a Master's Degree in Economics from the Delhi School of Economics and a Master's Degree in Public Administration from the Kennedy School of Government, Harvard University.

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

The details of Mr. Sudhakar Rao's directorship in other listed companies of as on March 31, 2020 are as follows:

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

5. 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.

Mr. Verma currently serves as Senior Vice President, Chairman's Office at Tata Sons Private 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 Mr. Ankur Verma's directorship in other listed companies of as on March 31, 2020 are as follows:

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

6. Mr. Manoj Raghavan – Managing Director

Manoj Raghavan is the CEO & Managing Director of Tata Elxsi and has over 22 years of industry experience. Prior to taking over the role of CEO & MD, he served as the Executive Vice President and Head of the Embedded Product Design (EPD) division, spearheading the sales, overall delivery and P&L for this division.



He joined Tata Elxsi 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. More recently, Manoj was responsible for the North American business and helped grow the region to become a top revenue earner for the company.

Manoj Raghavan holds a B.Tech in Metallurgical Engineering from IIT Madras, an MBA from The Indian Institute of Foreign Trade, New Delhi and has completed the Advanced Management Program from Harvard Business School. As on March 31, 2020, Mr. Raghavan does not hold directorship in any other listed company.

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.

The mapping of the core competencies with each of the Directors are as below.

Competencies	N. G. Subramaniam	S. Gopinath	Prof M. S. Ananth	Sudhakar Rao	Ankur Verma	Manoj Raghavan
Understanding of IT services business	✓	✓	✓	✓	✓	✓
Knowledge on key industry and technology trends	✓	✓	✓	✓	✓	✓
International business management and familiarity with global policies and regulations	✓	✓	✓	✓	✓	✓
Corporate Strategy	✓	✓	✓	✓	✓	✓
Risk management	✓	✓	✓	✓	✓	✓
Financial management	✓	✓	✓	✓	✓	✓
Governance and Compliance	✓	✓	✓	✓	✓	✓
Stakeholders management	✓	✓	✓	✓	✓	✓
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 criteria include inter-alia, structure of the Board, qualifications, experience and competency of Directors, diversity in Board, effectiveness of the Board process, information and functioning, Board culture and dynamics, quality of relationship between the Board and management, meetings of the Board, including regularity and frequency, discussion and dissent, corporate culture and values, governance and compliance, evaluation of risk amongst others. The criteria is based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017. The evaluation process is conducted and monitored by the Chairperson, Nomination & Remuneration Committee (NRC) in consultation with the members of the committee. 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 in turn is discussed in the Board meeting. The performance of the Independent Directors are also reviewed at the Board meeting. For the year 2019-20 the Board evaluation has been conducted as per the process mentioned above.

Meeting of Independent Directors: A separate meeting of Independent Directors for the Financial Year 2019-20 as per Clause VII (1) of Schedule IV under Section 149 (8) of the Companies Act, 2013 and Regulation 25 (3) of the Listing Regulations was held on April 24, 2019 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 and responsibilities, and the Business overview of the Company, policies etc. The Chairman as well as 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 third/fourth quarter each 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 December 20, 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 2019-20 and the gap between two meetings did not exceed four months. The dates on which the Board Meetings held were April 24, 2019; July 17, 2019; October 21, 2019; December 20, 2019 and January 13, 2020. 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 2019-20	Whether attended AGM held on July 17, 2019	No. of Chairmanships/Directorships in other Boards/ Committees* of public companies**			
				Chairman/ Chairperson of the Board	Chairman/ Chairperson of the Committee	Member of the Board	Member of the Committee
Mr. N. G. Subramaniam [DIN 07006215]	Non Independent/ Non-Executive	5	Yes	-	-	1	-
Mrs. Shyamala Gopinath @ [DIN 02362921]	Independent / Non-Executive	5	Yes	1	3	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: 7972892]	Non Independent/ Non-Executive	4	Yes	-	-	6	6
Mr. Manoj Raghavan & [DIN 8458315]	Non Independent/ Managing Director	3	NA	-	-	-	-
Mr. P. McGoldrick § [DIN 0407203]	Independent / Non-Executive	2	Yes	-	-	-	-
Mr. Madhukar Dev ^ [DIN 00082103]	Non Independent/ Managing Director	2	Yes	-	-	-	-

* Only Audit and Stakeholders' Relationship Committees are considered.

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

@ Mrs. Gopinath was re-appointed as an Independent Director for the second term commencing from July 18, 2019 upto June 19, 2024

§ Mr. Patrick McGoldrick retired as an Independent Director from the Board of the Company w.e.f July 18, 2019.

^ Mr. Madhukar Dev retired as the CEO & MD of the Company on October 01, 2019 & Mr. Manoj Raghavan was appointed as the CEO & MD of the Company w.e.f October 02, 2019

None of the Non-Executive Directors hold any shares and/or convertible instruments in the company as at March 31, 2020.

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;
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 Obligations 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 Obligations and Disclosure Requirements) Regulations, 2015.

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

The Audit Committee reviewed the reports of the internal auditors including the external internal Auditors, the reports of the statutory auditors arising out of the quarterly, half-yearly, and annual audit of the accounts; considered significant financial issues affecting the Company and held discussions with the internal and statutory auditors and the Company Management during the year.

Six Audit Committee Meetings were held during the year 2019-20. The dates on which the Audit Committee Meetings held were April 24, 2019; July 16, 2019; July 17, 2019, October 21, 2019; and two meetings on January 13, 2020.

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 2019-20
1	Mrs. Shyamala Gopinath, Chairperson	Independent / Non-Executive	6
2	Prof. M.S. Ananth	Independent / Non-Executive	6
3	Mr. Ankur Verma @	Non-Independent / Non-Executive	5
4	Mr. Patrick McGoldrick*	Independent / Non-Executive	3

* Mr. Patrick McGoldrick ceased to be a Director of the Company w.e.f July 18, 2019 and consequently ceased to be a member of the Committee.

@ Mr. Ankur Verma was appointed as a Member of the Committee w.e.f May 01, 2019.

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



4. Nomination and Remuneration Committee

The terms of reference of the Nomination and Remuneration 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. Board composition and succession planning, evaluation of every Director.
6. To recommend remuneration for the directors, KMP, and senior executives of the Company.
7. 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 paid to the Independent Directors on the net profits of the Company, no other remuneration is paid/payable to the Non- Executive Directors for 2019-20.

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 24, 2019 and July 17, 2019 during the year 2019-20.

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 2019-20
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
4	Mr. Sudhakar Rao [@]	Independent / Non-Executive	-

* Mr. Patrick ceased to be a Director of the Company w.e.f July 18, 2019 and consequently ceased to be a member of the Committee.

[@] Mr. Sudhakar Rao was appointed as a Member of the Committee w.e.f July 18, 2019.

Details of remuneration paid/payable for the year ended March 31, 2020

Non-executive Directors (NEDs):

Sl. No.	Name of the Non-Executive Director	Sitting Fees (₹)	Commission (₹)
1	Mr. N.G. Subramaniam	1,20,000	-
2	Mrs. Shyamala Gopinath	2,25,000	1,13,00,000
3	Prof. M.S. Ananth	2,10,000	75,00,000
4	Mr. Sudhakar Rao	1,80,000	70,00,000
5	Mr. Ankur Verma	1,50,000	-
6	Mr. P. McGoldrick	1,20,000	54,00,000

Managing Director(s):

Name	Salary (₹)	Commission (₹)	Contribution to Provident & other Funds (₹)	Other Allowances & Perquisites (₹)	Total (₹)
Mr. Madhukar Dev*	73,52,846	-	19,85,269	1,46,83,298	2,40,21,413
Mr. Manoj Raghavan^	29,00,323	1,38,00,000	7,83,087	44,49,251	2,19,32,661

*Mr. Madhukar Dev retired as the CEO & Managing Director on October 01, 2019 and Mr. Manoj Raghavan was appointed as the CEO & Managing Director of the Company with effect from October 02, 2019.

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 Company 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 Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the Company 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 2019-20. The dates on which the Stakeholders' Relationship Committee Meetings held were July 16, 2019, October 21, 2019 and January 13, 2020. 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 2019-20
1	Mr. Sudhakar Rao, Chairman	Independent/ Non-Executive	3
2	Prof. M.S.Ananth	Independent/ Non-Executive	3
3	Mr. Manoj Raghavan*	Non-Independent / Executive	2
4	Mr. Madhukar Dev [§]	Non-Independent / Executive	1

* Mr. Manoj Raghavan was appointed as a member of the Committee with effect from October 21, 2019.

[§] Mr. Madhukar Dev retired as MD & CEO on October 01, 2019 and consequently ceased to be a member of the Committee.

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 2019-20:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
0	17	17	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:

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

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. 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 23, 2019 and October 21, 2019 during the year 2019-20.

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 2019-20
1	Mr.Sudhakar Rao, Chairman	Independent / Non-Executive	2
2	Mr. N.G. Subramaniam [§]	Non-Independent / Non-Executive	1
3	Mr. Muralidharan H.V	Company Executive (CFO)	2
4	Mr. Patrick McGoldrick*	Independent / Non-Executive	1

* Mr. Patrick Mc.Goldrick ceased to be a Director of the Company w.e.f July 18, 2019 and consequently ceased to be the Chairperson of the Committee. Mr. Rao has been nominated as the Chairperson with effect from July 18, 2019.

[§] Mr. N.G.Subramaniam was appointed as a Member of the Committee w.e.f July 18, 2019

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.

Two Corporate Social Responsibility (CSR) Committee Meetings were held during the year 2019-20. The dates on which the Corporate Social Responsibility (CSR) Meetings held were April 23, 2019 and July 16, 2019.

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 2019-20
1	Mr. Sudhakar Rao, Chairman	Independent / Non-Executive	2
2	Mrs. S. Gopinath	Independent / Non-Executive	2
3	Mr. Manoj Raghavan *	Managing Director	-
4	Mr. Madhukar Dev **	Managing Director	2

* Mr. Manoj Raghavan was appointed as a member of the Committee w.e.f October 21, 2019.

** Mr. Madhukar Dev retired as CEO & MD of the Company and consequently ceased to be the member of the Committee.

8. 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.

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.	Year	Date	Venue	Time
1.	2018-19	July 17, 2019	St. John's Auditorium, John Nagar, Koramangala, Bengaluru- 560 034	12.30 p.m.
2.	2017-18	July 25, 2018		
3	2016-17	July 27, 2017		

- b) No Extra-Ordinary General Meeting of the shareholders was held during the financial year 2019- 20.
- c) Special Resolutions passed in previous three Annual General Meetings:
- At the Annual General Meeting held on July 17, 2019 a special resolution for re-appointment of Mrs. Shyamala Gopinath as an Independent Director was passed.
 - At the Annual General Meeting held on July 25, 2018, no special resolution was passed
 - At the Annual General Meeting held on July 27, 2017, no special resolution was passed.
- d) No Postal Ballot was conducted during the financial year 2019-20.
- 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.

- (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 the 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 https://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.
- 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 48 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 ₹ 58.90 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 2019-20 are as below:

- a. number of complaints filed during the financial year - 2
- b. number of complaints disposed of during the financial year - 2
- 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, 2020 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 21, 2020, Tuesday at 12:30 pm through Video Conference (VC) or Other Audio Visual Means (OAVM) at Bangalore.
ii.	Financial Calendar	April 20, 2020 - Q4 & FY19-20 Results July 21, 2020- Q1 Results & AGM October 12, 2020 - Q2 Results January 12, 2021 - Q3 Results
iii.	Date of Book Closure	July 15, 2020 to July 21, 2020 (both days inclusive)
iv.	Dividend Payment Date	On and after July 21, 2020 Dividends are subject to TDS. Please visit www.tataelxsi.com for details.



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>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</p> <p>The listing fee has been paid to BSE & NSE for the FY 2019-20.</p>
vi.	Stock Code	Bombay Stock Exchange Ltd.: 500408; National Stock Exchange Ltd.: TATAELXSI
vii.	Registrar & Share transfer Agent	TSR Darashaw Consultants Private Limited, 6-10, Haji Moosa Patrawala Ind. Estate, 20,Dr. E. Moses Road, Mahalaxmi, Mumbai – 400 011
viii.	Share Transfer System	<p>As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities.</p> <p>The transfer through demat mode takes place instantaneously between the transferor, transferee, and the Depository Participant through electronic debit/credit of the accounts involved.</p>
ix.	Dematerialisation of shares and liquidity	6,04,25,776 shares were held in dematerialised mode, as at March 31, 2020. 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.

Sl. No.	Salient Items of Interest	Particulars
xi.	Development Centre Locations	Your Company's software development centers are located at the following addresses: a. ITPB Road, Whitefield, Bengaluru - 560 048; b. Crescent-4, 9th Floor, Prestige Shantiniketan, Whitefield road, Bengaluru - 560 048 c. IITM Research Park, 3rd Floor, E Block, Kanagam Road, Taramani, Chennai - 600 113; d. Chennai One IT Park, SEZ, Phase 2, 3rd Floor, Pallavaram - Thoraipakkam 200 Feet Road, Thoraipakkam, Chennai 600097 e. Giga Space IT Park, No. 201, 2nd Floor, Alpha - 1m, Building, Viman Nagar, Pune - 411 014; f. SEZ Tower IX, A Wing, Level - 2, Magarpatta City, Hadapsar, Pune - 411 013; g. SEZ Tower IX, B Wing, 4th Floor, Magarpatta City, Hadapsar, Pune - 411 013; h. RN Development Center, Technopark Campus, Kariyavattom, Thiruvananthapuram- 695 581; i. Gayathri, 1st Floor, Technopark Campus, Kariyavattom, Thiruvananthapuram- 695 581; j. Carnival Building, 5th Floor, Plot No. 2, Technopark Campus, Thiruvananthapuram- 695 581; k. Yamuna SEZ Building, 4th Floor, Phase III Campus, Technopark Thiruvananthapuram - 695581 l. Boston House, B Wing, No. 202, 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	L85110KA 989PLC009968

Market Price Data: High/Low during each month of 2019-20 on the following exchanges:

Month	BSE			NSE		
	High (In ₹)	Low (In ₹)	Volume (No. of shares)	High (In ₹)	Low (In ₹)	Volume (No. of shares)
Apr-19	1,001.00	916.35	8,35,796	1,000.70	915.90	1,10,43,018
May-19	930.35	822.20	9,83,313	932.70	822.10	1,14,45,415
Jun-19	892.00	834.80	5,90,384	892.50	834.00	66,74,392
Jul-19	929.00	609.45	21,85,676	924.95	608.50	2,91,24,256
Aug-19	669.00	593.00	16,27,653	669.00	592.25	1,77,91,931
Sep-19	701.05	606.15	17,12,604	701.20	606.00	1,74,27,284
Oct-19	831.00	610.00	18,06,689	831.00	610.00	2,45,96,866
Nov-19	841.05	782.90	8,68,778	841.40	782.45	1,26,29,117
Dec-19	899.00	778.50	17,11,039	899.00	778.00	3,08,25,651
Jan-20	978.90	812.50	9,30,615	979.00	812.60	1,59,42,176
Feb-20	1,098.75	855.00	10,06,924	1,098.40	855.10	1,29,33,782
Mar-20	1,071.00	501.00	12,05,986	1,071.25	499.95	1,27,15,330



Distribution of Shareholding as on March 31, 2020

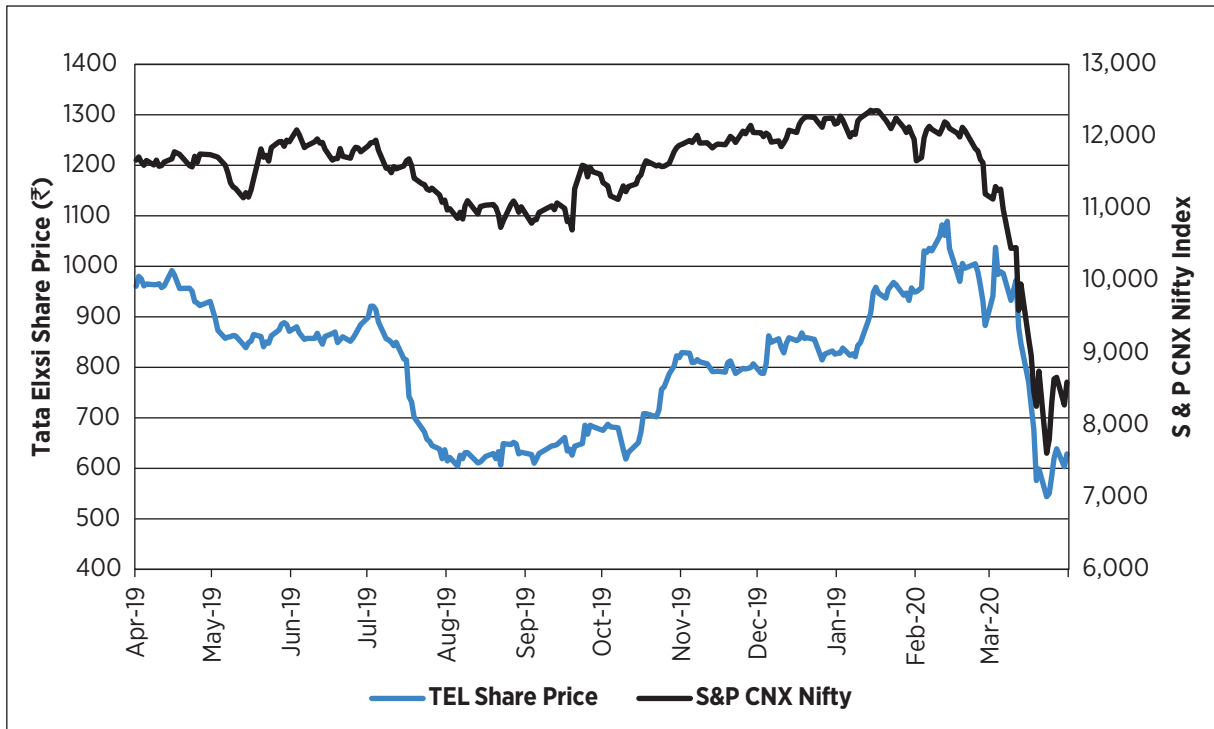
Range of Shares	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1 - 500	1,32,660	94.79	1,18,10,389	18.96
501 - 1000	4,381	3.13	32,63,042	5.24
1001- 2000	1,658	1.18	25,20,558	4.05
2001- 3000	436	0.31	10,96,574	1.76
3001- 4000	209	0.15	7,53,232	1.21
4001- 5000	137	0.10	6,30,112	1.01
5001- 10000	248	0.18	17,73,369	2.85
Over 10,000	223	0.16	4,04,29,164	64.92
Total	1,39,952	100.00	6,22,75,840	100.00

Categories of Shareholding as on March 31, 2020

CATEGORY	NO. OF SHAREHOLDERS	NO. OF SHARES HELD	% TO CAPITAL
Promoter Companies	5	2,77,30,264	44.53
Mutual funds	15	13,39,104	2.15
FI / Banks	6	44,759	0.07
Insurance Companies	2	3,26,500	0.52
FII / FFI / FPI	100	6,70,661	1.08
NRI	3,750	10,77,432	1.73
Body Corporates	1,535	31,04,524	4.99
Trusts	19	44,058	0.07
Directors & relatives	1	2,000	0.00
Individuals	1,34,519	2,79,37,138	44.86
Total	1,39,952	6,22,76,440	100.00

The distribution and categories of shareholding is aggregated based on the Folio/ DP Id - Client Id of the shareholder.

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



INDEPENDENT AUDITOR'S CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE REPORT

To the Members of Tata Elxsi Limited

This Certificate is issued in accordance with the terms of our engagement letter dated 08 July 2019.

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 1 April 2019 to 31 March 2020.

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 1 April 2019 to 31 March 2020. 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 1 April 2019 to 31 March 2020.

We have examined the compliance of conditions of Corporate Governance by the Company for the period 1 April 2019 to 31 March 2020 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 1 April 2019 to 31 March 2020 and may not be suitable for any other purpose.

for **BSR & Co. LLP**

Chartered Accountants

Firm registration number: 101248W/W-100022

Sanjay Sharma

Partner

Place: Bengaluru

Date: April 20, 2020

Membership number: 063980

UDIN: 20063980AAAABZ9894



INDEPENDENT AUDITOR'S REPORT

To the Members of Tata Elxsi Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the Ind AS financial statements (“financial statements”) of Tata Elxsi Limited (“the Company”), which comprise the balance sheet as at 31 March 2020, 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 31 March 2020, 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>Accuracy of revenue recognition in respect of fixed price contracts (Refer Note 2.4 to the financial statements)</p> <p>The Company engages in fixed price contracts, with its customers where, revenue from each contract is recognised based on on percentage of completion. This involves computation of actual cost incurred and estimation of total cost on each contract to measure progress towards completion (the input method).</p> <p>Accuracy of revenue recognition in respect of fixed price contracts has been identified as a Key Audit Matter considering that:</p> <ul style="list-style-type: none"> • these contracts involve identification of actual cost incurred on each contract including allocation and apportionment; • these contracts require estimation of future cost-to-completion of each contract as well as critical estimates to make provision for onerous contract; • at year-end a significant amount of contract assets (unbilled revenue) and contract liabilities (unearned revenue) related to each contract is to be identified. 	<p>In view of its significance we applied the following audit procedures in this matter, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> • Obtaining an understanding the systems, processes and controls implemented by the Company with respect to recognition of actual cost incurred on each contract (including allocation and apportionment), estimation of future cost to completion, estimation of provision for onerous contract, measurement of unbilled revenue, unearned revenue and the total contract revenue on its completion. . • Involving Information technology ('IT') specialists to assess the design and operating effectiveness of key IT controls relating to revenue recognition and in particular: <ul style="list-style-type: none"> ➤ IT environment in which the business systems operate, including access controls, program change controls, program development controls and IT operation controls; ➤ Access and application controls pertaining to time recording and allocation systems which prevent unauthorised changes to recording of costs and revenue. • For selected samples of fixed contracts, - <ul style="list-style-type: none"> ➤ Evaluated the contractual terms to identify the performance obligation and assessed the basis of revenue recognition; ➤ Checked the approval for estimates of cost to completion by authorised personnel of the Company; ➤ Carried out a retrospective assessment of costs incurred with estimated costs to identify any significant variation and checked whether those variations have been considered in estimating the remaining costs to complete the contract; and ➤ Verified the contract assets and contract liabilities on balance sheet by evaluating the underlying documentation to identify possible delays in achieving milestones which require change in estimated costs to complete the remaining performance obligations; ➤ Checked journal entries impacting the revenue recognition for the period selected based on specified risk-based criteria. • Checked the adequacy of provision in respect of onerous contracts.



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 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 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 31 March 2020 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 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.

(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's Registration No: 101248W/W-100022

Sanjay Sharma

Partner

Membership Number: 063980

UDIN: 20063980AAAABY2851

Place: Bengaluru
Date: 20 April 2020

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 31 March 2020, 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 (including Right of Use assets) 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.

- (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.
- (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 31 March 2020, 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 the statute	Nature of the dues	Amount (Rs in lakhs)	Period to which amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income tax	67.29	Financial Year 2008-09	Income Tax Appellate Tribunal
The Income Tax Act, 1961	Income Tax	--*	Financial Year 1999-00, 2000-01, 2001-02	Supreme Court
The Income Tax Act, 1961	Income tax (penalty)	2,930.13	Financial year 2012-13	Commissioner of Income-tax (Appeals)

* Net of Rs 109.80lakhs 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.

(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.

(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 year.

(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.

(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.

(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 **BSR & Co LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sanjay Sharma
Partner

Place: Bengaluru
Date: 20 April 2020

Membership Number: 063980
UDIN: 20063980AAAABY2851

Annexure B to the Independent Auditors' report on the financial statements of Tata Elxsi Limited for the year ended 31 March 2020.

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 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, 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").

Auditors' 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's Registration No: 101248W/W-100022

Sanjay Sharma
Partner

Place: Bengaluru
Date: 20 April 2020

Membership Number: 063980
UDIN: 20063980AAAABY2851

BALANCE SHEET

₹ lakhs

	Note	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3 (i)	8,229.25	8,724.93
(b) Capital work-in-progress		91.31	44.75
(c) Right of use assets	32(b)	5,183.27	-
(d) Intangible assets	3 (ii)	1,293.49	1,393.79
(e) Financial assets			
(i) Investments *	4	-	-
(ii) Loans receivable	6 (i)	1,682.70	1,514.17
(f) Deferred tax assets (net)	7	876.83	597.00
(g) Other assets	8 (i)	341.20	255.49
(h) Tax assets (net)	9 (i)	1,079.83	1,008.23
Total non-current assets		18,777.88	13,538.36
Current assets			
(a) Inventories	10	171.20	166.23
(b) Financial assets			
(i) Trade receivables	11	39,238.07	35,654.12
(ii) Cash and cash equivalents	12	22,842.45	5,371.04
(iii) Other bank balances	13	43,580.02	46,210.42
(iv) Loans	5	89.37	75.83
(v) Other financial assets	6 (ii)	8,440.70	6,397.13
(c) Other assets	8 (ii)	5,758.45	6,925.75
Total current assets		1,20,120.26	1,00,800.52
TOTAL ASSETS		1,38,898.14	1,14,338.88
EQUITY AND LIABILITIES			
Equity			
(a) Share capital	14	6,227.64	6,227.64
(b) Other equity	15	1,02,775.89	88,047.63
Total equity		1,09,003.53	94,275.27
Liabilities			
Non-current liabilities			
(a) Provisions	16 (i)	3,655.98	1,242.12
(b) Financial liabilities			
(i) Borrowing - Lease liabilities	2.6	4,501.39	-
Total non-current liabilities		8,157.37	1,242.12
Current liabilities			
(a) Financial liabilities			
(i) Borrowing - Lease liabilities	2.6	1,325.66	-
(ii) Trade payables	17		
a) Dues of micro, small and medium enterprises		-	-
b) Dues of creditors other than micro, small and medium enterprises		4,713.20	5,549.53
(iii) Other financial liabilities	18	4,669.41	4,535.48
(b) Other liabilities	20	7,649.87	6,145.23
(c) Provisions	16 (ii)	1,006.42	835.40
(d) Tax liabilities (net)	19 (i)	2,372.68	1,755.85
Total current liabilities		21,737.24	18,821.49
TOTAL EQUITY AND LIABILITIES		1,38,898.14	1,14,338.88

* value is less than a lakh

See accompanying notes to the Ind AS financial statements

1 - 42

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 20, 2020

N G Subramaniam**Manoj Raghavan****Muralidharan H V****G.Vaidyanathan**

DIN: 07006215

DIN: 0008458315

Chairman

Managing Director

Chief Financial Officer

Company Secretary

Bengaluru, April 20, 2020



STATEMENT OF PROFIT AND LOSS

₹ lakhs

	Note	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from operations	21	1,60,986.04	1,59,693.16
Other income (net)	22	5,841.25	4,346.16
Total income		1,66,827.29	1,64,039.32
EXPENSES			
Purchases	23	8,112.51	10,056.19
Changes in inventories of stock-in-trade - (increase) / decrease	24	(4.97)	(166.23)
Employee benefit expenses	25	95,086.76	84,258.08
Finance costs		556.26	-
Depreciation and amortisation expense	3 & 32(b)	4,341.34	2,509.65
Other expenses	26	23,491.35	24,041.76
Total expenses		1,31,583.25	1,20,699.45
Profit before tax		35,244.04	43,339.87
Tax expense			
i) Current tax		9,513.00	14,367.80
ii) Deferred tax		121.03	(24.82)
Total tax expense		9,634.03	14,342.98
Profit for the year		25,610.01	28,996.89
Other comprehensive income/(loss)			
(i) Items that will not be reclassified subsequently to profit or (loss)			
-Remeasurement of the defined benefit asset / (liability)		(655.41)	(458.40)
(ii) Income tax relating to items that will not be reclassified subsequently to profit or loss			
		229.03	160.18
Other comprehensive income / (loss) for the year, net of income tax		(426.38)	(298.22)
Total comprehensive income for the year		25,183.63	28,698.67
Earnings per equity share (₹)	28		
(a) Basic		41.12	46.56
(b) Diluted		41.12	46.56

See accompanying notes to the Ind AS financial statements 1 - 42

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

N G Subramaniam

Manoj Raghavan

Muralidharan H V

G.Vaidyanathan

DIN: 07006215

DIN: 0008458315

Chairman

Managing Director

Chief Financial Officer

Company Secretary

Bengaluru, April 20, 2020

Bengaluru, April 20, 2020



STATEMENTS OF CHANGES IN EQUITY

A. EQUITY SHARE CAPITAL

₹ 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

₹ lakhs

Balance as at April 1, 2019	Changes in equity share capital during the year	Balance as at March 31, 2020
6,227.64	-	6,227.64

B. OTHER EQUITY

₹ lakhs

	Reserves and Surplus		Items of other comprehensive income	Total
	General reserve	Retained earnings	Remeasurement of the defined benefit plans	
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
As at April 1, 2019	7,596.00	80,928.40	(476.77)	88,047.63
Transition impact of Ind AS 116 (Refer note 2.6)	-	(319.90)	-	(319.90)
Profit for the year	-	25,610.01	-	25,610.01
Other comprehensive income (net of tax)	-	-	(426.38)	(426.38)
Total	7,596.00	1,06,218.51	(903.15)	1,12,911.36
Dividend and dividend distribution tax thereon paid	-	(10,135.47)	-	(10,135.47)
Transfer of profits of the year to general reserve	1,000.00	(1,000.00)	-	-
As at March 31, 2020	8,596.00	95,083.04	(903.15)	1,02,775.89

See accompanying notes to the Ind AS financial statements

1 - 42

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 20, 2020

for and on behalf of the Board

N G Subramaniam**Manoj Raghavan****Muralidharan H V****G.Vaidyanathan**

DIN: 07006215

DIN: 0008458315

Chairman

Managing Director

Chief Financial Officer

Company Secretary

Bengaluru, April 20, 2020



STATEMENT OF CASH FLOW

₹ lakhs

	For the year ended March 31, 2020	For the year ended March 31, 2019
A. Cash flows from operating activities		
Profit for the year	25,610.01	28,996.89
Adjustment for:		
Income tax expense recognised in profit and loss	9,634.03	14,342.98
Depreciation and amortisation	4,341.34	2,509.65
Interest income recognised in profit and loss	(3,311.14)	(2,840.74)
Finance costs	556.26	-
Bad debts written off	31.08	41.72
Provision for doubtful debts	227.77	16.18
Loss/(Profit) on sale of assets	(2.72)	(13.66)
Net loss / (gain) arising on financial assets mandatorily measured at fair value through profit and loss	631.24	(317.32)
Net unrealised exchange (gains)	(1,202.74)	756.70
Operating profit before working capital changes	36,515.13	43,492.40
Movement in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Loans	(13.54)	7.87
Unbilled revenue	(2,513.12)	1,958.35
Other financial assets	(506.39)	(60.74)
Other assets	1,390.65	(4,208.19)
Inventories	(4.97)	(166.23)
Trade receivables	(3,156.66)	(5,581.31)
Adjustments for increase / (decrease) in operating liabilities:		
Provisions	2,584.88	415.30
Trade payables	(890.27)	1,225.69
Other financial liabilities	358.73	(1,150.32)
Other liabilities	849.23	(161.88)
Cash generated from operations	34,613.67	35,770.94
Income tax paid (net)	(8,967.77)	(14,276.02)
Net Cash generated from operating activities - (A)	25,645.90	21,494.92
B. Cash flows from investing activities		
Deposits as Margin Money or Security against commitments		
Purchase of property, plant and equipment and intangibles	(2,310.76)	(3,151.56)
Proceeds from sale of property, plant and equipment and intangibles	21.91	16.67
Fixed deposit with banks having original maturity over 3 months, net	2,699.97	(15,000.02)
Interest received	3,487.31	2,260.19
Net Cash generated from/(used in) investing activities - (B)	3,898.43	(15,874.72)



₹ lakhs

	For the year ended March 31, 2020	For the year ended March 31, 2019
C. Cash flows from financing activities		
Payment of lease liability	(2,235.80)	-
Dividend including dividend tax paid	(10,205.04)	(8,258.53)
Net Cash used in financing activities - (C)	(12,440.84)	(8,258.53)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	17,103.49	(2,638.33)
Cash and cash equivalents as at beginning of the year	5,371.04	8,321.01
Effects of exchange rate changes on the balances of cash and cash equivalents held in foreign currencies	367.92	(311.64)
Cash and cash equivalents as at end of the year (Refer note 12)	22,842.45	5,371.04
Reconciliation of cash and cash equivalents with the Balance Sheet:		
*comprises:		
(a) Cash on hand	0.44	0.39
(b) Funds-in-transit	946.27	-
(c) Cheques on hand	-	6.17
(d) Balances with banks		
i) in current accounts	17,885.83	5,364.48
ii) in deposit accounts	4,009.91	-
	22,842.45	5,371.04

See accompanying notes to the Ind AS financial statements

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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 20, 2020

for and on behalf of the Board

N G Subramaniam

DIN: 07006215

Manoj Raghavan

DIN: 0008458315

Muralidharan H V**G.Vaidyanathan**

Chairman

Managing Director

Chief Financial Officer

Company Secretary

Bengaluru, April 20, 2020



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 20, 2020.

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.

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



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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 the United States of America (USA). The Company also files tax returns in other foreign jurisdictions. Significant judgment is involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions.

The Company reviews the carrying amount of deferred tax assets at the end of each 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

The Company earns revenue primarily from providing information technology, engineering design, systems integration and support services, sale of licenses and maintenance of equipment. The Company recognizes revenue as follows

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



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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.

- 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



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and

an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

any remaining amount of the re-measurement in statement of profit and loss.

Transition to Ind AS 116

Ministry of Corporate Affairs (“MCA”) through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. 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 lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, modified retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company has not restated the comparative information. Instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

Refer note 2.6- Significant accounting policies- Leases in the Annual report of the Company for the year ended March 31, 2019, for the policy as per Ind AS 17

As a lessee:

For transition, the Company has elected not to apply the requirements of Ind AS 116 leases for which the underlying asset is of low value on a lease-by-lease basis. The Company has used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right of use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease. When measuring lease liabilities for leases that

were classified as operating leases, the Company discounted lease payments using its incremental borrowing rate at 1 April 2019. The weighted-average rate applied is 8.5% for the leases having tenure of less than 3 years and 11% for those having more than 3 years.

On transition, the Company recognised 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 of the lease, but discounted using the lessee’s incremental borrowing rate as at April 1, 2019. Accordingly, a right-of-use asset of ₹ 5,285.41 lakhs and a corresponding lease liability of ₹ 5,777.14 lakhs has been recognized. The cumulative effect on transition in retained earnings net off taxes is a debit of ₹ 319.90 lakhs. The principal portion of the lease payments and interest thereon have been disclosed under cash flow from financing activities. The lease payments for operating leases as per Ind AS 17 - Leases, were earlier reported under cash flow from operating activities.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

The difference between the future minimum lease rental commitments towards non-cancellable operating leases reported as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 to which the Company has chosen to apply the practical expedient as per the standard.

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.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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 offsetting 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 assets 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.

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



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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.

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



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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 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
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



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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.

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



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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.

(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") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

3. (i) Property, plant and equipment

Description of assets	₹ lakhs										Total	
	Land - freehold	Land - leasehold	Buildings	Improvements to leasehold premises	Plant and equipment	Computer equipment	Furniture and fixtures	Office equipment	Electrical installations	Air conditioners		Vehicles
I. Gross carrying amount												
Balance as at April 1, 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
Additions	-	-	14.31	121.29	0.01	915.57	186.97	108.56	191.86	26.45	-	1,565.02
Less: Disposals/Deletions	-	-	-	22.05	-	5.97	0.16	2.39	-	0.15	46.26	76.98
Balance as at March 31, 2020	929.90	49.96	3,920.62	850.73	156.78	6,807.32	963.51	1,417.92	640.41	434.07	27.98	16,199.19
II. Accumulated depreciation												
Balance as at April 1, 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
Add: Depreciation and amortisation expense for the period	-	3.40	158.07	251.77	27.48	991.34	147.24	271.12	99.62	78.58	13.09	2,041.71
Less: Eliminated on disposal of assets	-	-	-	22.05	-	3.47	0.16	2.11	-	0.13	30.07	57.98
Balance as at March 31, 2020	-	13.60	623.09	556.91	61.63	4,707.38	491.93	911.50	313.52	277.78	12.61	7,969.94
III. Net carrying amount (I-II)	929.90	36.36	3,297.53	293.82	95.15	2,099.94	471.58	506.42	326.89	156.29	15.37	8,229.25



Description of assets	₹ lakhs										Total	
	Land - freehold	Land - leasehold	Buildings	Improvements to leasehold premises	Plant and equipment	Computer equipment	Furniture and fixtures	Office equipment	Electrical installations	Air conditioners		Vehicles
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

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, 2019	3,095.09	3,095.09	
Additions	367.95	367.95	
Less: Disposals/Deletions	0.27	0.27	
Balance as at March 31, 2020	3,462.77	3,462.77	
II. Accumulated amortisation			
Balance as at April 1, 2019	1,701.30	1,701.30	
Add: Amortisation expense for the period	468.05	468.05	
Less: Eliminated on disposal of assets	0.07	0.07	
Balance as at March 31, 2020	2,169.28	2,169.28	
III. Net carrying amount (I-II)	1,293.49	1,293.49	

		₹ 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	



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

		₹ lakhs	
		As at March 31, 2020	As at March 31, 2019
4	INVESTMENTS		
	Non-current		
	Unquoted		
	Investments in other entities *	-	-
	(Refer note 38)		
		-	-
	* value is less than a lakh		
5	LOANS		
	Unsecured, considered good		
	Current		
	Loans to employees	89.37	75.83
		89.37	75.83
6	LOANS RECEIVABLE		
	(i) Non-current		
	Security deposits		
	Considered good	1,682.70	1,514.17
	Considered doubtful	15.98	15.98
		1,698.68	1,530.15
	Less: provision for doubtful deposits	15.98	15.98
		1,682.70	1,514.17
	(ii) Current financial assets		
	a) Fair value of foreign exchange derivative contracts	90.34	343.17
	b) Interest receivable	747.93	963.86
	c) Unbilled receivables		
	Considered good	7602.22	5089.10
	Considered doubtful	-	-
		7602.22	5089.10
	d) Security deposits	0.21	1.00
		8,440.70	6,397.13
7	DEFERRED TAX ASSETS (NET)		
	Deferred tax assets / (liabilities) in relation to:		
	a) Property, plant and equipment and intangible assets	(232.07)	(105.73)
	b) Provision for employee benefits	691.42	602.37
	c) Provision for doubtful receivables	179.94	100.36
	d) Leases	237.54	-
		876.83	597.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

		₹ lakhs	
		As at March 31, 2020	As at March 31, 2019
8	OTHER ASSETS		
	(i) Non-current		
	Considered good		
	a) Capital advances	107.25	0.81
	b) Prepaid expenses	233.95	254.68
		341.20	255.49
	(ii) Current		
	Considered good		
	a) Prepaid expenses	748.03	820.35
	b) Indirect taxes recoverable	722.12	993.23
	c) Advance to suppliers	283.33	549.57
	d) Claims receivable	2,042.96	1,394.98
	e) Contract assets	1,351.90	2,873.82
	f) Contract fulfilment cost	279.14	187.33
	g) Advance to employees	330.97	106.47
		5,758.45	6,925.75
9	TAX ASSETS (NET)		
	(i) Non-current		
	- Tax deducted at source/advance tax paid (net of provision)	1,079.83	1,008.23
		1,079.83	1,008.23
10	INVENTORIES		
	(At lower of cost or net realisable value)		
	Components and spares - for trading	171.20	166.23
		171.20	166.23
11	TRADE RECEIVABLES		
	Current		
	Unsecured		
	(a) Considered good	39,238.07	35,654.12
	(b) Considered doubtful	498.98	271.22
		39,737.05	35,925.34
	Less: Provision for impairment	498.98	271.22
		39,238.07	35,654.12

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



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ lakhs

	As at March 31, 2020	As at March 31, 2019
12 CASH AND CASH EQUIVALENTS		
Cash on hand	0.44	0.39
Cheques on hand	-	6.17
Funds-in-transit	946.27	-
Balances with banks		
i) in current accounts	17,885.83	5,364.48
ii) Fixed deposits with original maturity less than 3 months	4,009.91	-
	22,842.45	5,371.04
13 OTHER BANK BALANCES		
a) in earmarked accounts		
- Unclaimed dividends account	579.65	510.08
b) Fixed deposits with original maturity greater than 3 months	43,000.37	45,700.34
	43,580.02	46,210.42
14 SHARE CAPITAL		
Authorised :		
70,000,000 equity shares of ₹ 10/- each (March 31, 2019: 70,000,000 equity shares of ₹ 10/- each)	7,000.00	7,000.00
Issued :		
62,303,840 equity shares of ₹ 10/- each (March 31, 2019: 62,303,840 equity shares of ₹ 10/- each)	6,230.38	6,230.38
Subscribed and fully paid up :		
62,276,440 equity shares of ₹ 10/-each (March 31, 2019: 62,276,440 equity shares of ₹ 10/-each)	6,227.64	6,227.64
	6,227.64	6,227.64

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount in ₹ lakhs	Number of shares	Amount in ₹ lakhs
Equity shares with voting rights				
Opening balance	6,22,76,440	6,227.64	6,22,76,440	6,227.64
Closing balance	6,22,76,440	6,227.64	6,22,76,440	6,227.64



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

Name of share holder	As at March 31, 2020		As at March 31, 2019	
	Number of shares held	% of holding in that class of shares	Number of shares held	% of holding in that class of shares
Equity shares of ₹10 each with voting rights				
Tata Sons Private Limited	2,62,95,264	42.22%	2,62,95,264	42.22%

Rights, preferences and contingencies attached to equity shares

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

₹ lakhs

	As at March 31, 2020	As at March 31, 2019
15 OTHER EQUITY		
(i) General reserve:		
Opening balance	7,596.00	6,596.00
Add: Transferred from surplus in statement of profit and loss	1,000.00	1,000.00
	8,596.00	7,596.00
(ii) Surplus in statement of profit and loss		
Opening balance	80,451.63	61,011.49
Less: Transition impact of Ind AS 116, net (Refer note 2.6)	(319.90)	-
Add/(Less): Transferred from other comprehensive income for the year	(426.38)	(298.22)
Less: Dividend including tax on dividend	(10,135.47)	(8,258.53)
Add: Net profit for the year	25,610.01	28,996.89
Balance available for appropriation	95,179.89	81,451.63
Less: Appropriations		
a) Transfer to general reserve	1,000.00	1,000.00
Closing balance	94,179.89	80,451.63
	102,775.89	88,047.63



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ lakhs		
	As at March 31, 2020	As at March 31, 2019
16 PROVISIONS		
(i) Non-current		
(a) Provision for employee benefits		
- Provision for compensated absences	1,379.33	1,112.73
- Gratuity	44.65	129.39
- Pension	2,232.00	-
	3,655.98	1,242.12
(ii) Current		
(a) Provision for employee benefits		
- Provision for compensated absences	903.62	736.77
(b) Other provisions		
- Provision for warranty	102.80	98.63
	1,006.42	835.40

Details of movement in other provisions is as follows:

₹ lakhs	
Particulars	Amount
Balance as at April 1, 2018	79.56
Net charge during the year	19.07
Balance as at March 31, 2019	98.63
Balance as at April 1, 2019	98.63
Net charge during the year	4.17
Balance as at March 31, 2020	102.80

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, 2020	As at March 31, 2019
17	TRADE PAYABLES		
	Current		
	- Acceptances	42.76	82.17
	- Other than acceptances		
	Trade payables - Micro, small and medium enterprises	-	-
	Trade payables - Other than micro, small and medium enterprises	4,670.44	5,467.36
		4,713.20	5,549.53
18	OTHER FINANCIAL LIABILITIES		
	Current		
	a) Employee related liabilities	3,705.56	3,795.01
	b) Payables on purchase of fixed assets	5.59	230.39
	c) Security deposit accepted	0.20	-
	d) Unclaimed dividend	579.65	510.08
	e) Fair value of foreign exchange derivative contracts	378.41	
		4,669.41	4,535.48
19	TAX LIABILITIES		
	(i) Current		
	- Provision for taxation (net of advance tax)	2,372.68	1,755.85
		2,372.68	1,755.85
20	OTHER LIABILITIES		
	Current		
	a) Advance from customers	1,204.01	901.33
	b) Contract liabilities	2,958.62	1,592.18
	c) Statutory and other liabilities	3,487.24	3,651.72
		7,649.87	6,145.23



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	₹ lakhs	
	For the year ended March 31, 2020	For the year ended March 31, 2019
21 REVENUE FROM OPERATIONS		
Rendering of services	159,319.20	157,708.00
Sale of traded goods	1,666.84	1,985.16
	1,60,986.04	1,59,693.16
Revenue disaggregation by segment is as follows:		
Software development and services	156,278.24	154,313.33
System integration and support services	4,707.80	5,379.83
	1,60,986.04	1,59,693.16
Revenue disaggregation by geography is as follows:		
India	19,234.99	19,282.17
US	55,775.55	48,980.71
Europe	65,865.16	70,577.16
Others	20,110.34	20,853.12
	1,60,986.04	1,59,693.16
22 OTHER INCOME		
a) Interest income:		
i) Interest from banks on deposits	3,271.38	2,811.07
ii) Interest income on financial assets at amortised cost	39.76	29.67
b) Other gains and losses:		
i) Net gain / (loss) on foreign currency transactions	1,921.35	32.11
ii) Net gain / (loss) arising on financial assets measured at fair value through profit or loss	(631.24)	317.32
iii) Gain / (loss) on sale of property, plant and equipment	2.72	13.66
c) Other non-operating income:		
i) Export and other incentives/credits	1,099.74	982.92
ii) Miscellaneous income	137.54	159.41
	5,841.25	4,346.16
23 PURCHASES		
Spares, consumables and others	6,854.84	8,581.78
Purchase of traded goods - computers, networking and storage systems and components and parts	1,257.67	1,474.41
	8,112.51	10,056.19
24 CHANGES IN INVENTORIES		
Inventories at the end of the year:		
Stock-in-trade - components and spares	171.20	166.23
Inventories at the beginning of the year:		
Stock-in-trade - components and spares	166.23	-
Net (increase) / decrease	(4.97)	(166.23)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	₹ lakhs	
	For the year ended March 31, 2020	For the year ended March 31, 2019
25 EMPLOYEE BENEFIT EXPENSES		
Salaries and wages	87,660.50	77,570.50
Contribution to provident and other funds	3,129.37	2,502.14
Staff welfare expenses	4,296.89	4,185.44
	95,086.76	84,258.08
26 OTHER EXPENSES		
Operating lease rentals (Refer note 2.6)	137.04	1,961.33
Rates and taxes	515.34	151.31
Power and fuel	896.33	871.39
Repairs and maintenance : Building	447.37	370.40
: Plant and equipment	945.27	823.30
: Others	702.70	631.77
Communication expenses	735.65	813.36
Inland travel and conveyance	790.69	853.15
Overseas travel	6,802.63	6,624.05
Advertisement and sales promotion expenses	839.46	788.10
Commission on sales	417.05	671.65
Printing and stationery	45.79	65.12
Motor vehicle expenses	318.57	384.58
Recruitment and training	261.69	323.12
Consultant fees for software development	7,012.68	6,171.72
Expenditure on corporate social responsibility	554.25	550.36
Legal and professional charges	1,316.32	1,425.39
Insurance	182.70	179.73
Bank and other charges	125.13	103.75
Auditors' remuneration	53.90	55.80
Provision / (reversal) for doubtful debts / unbilled receivables	227.77	16.18
Bad debts written off	31.08	41.72
Provision for warranty (net)	4.17	19.07
Miscellaneous expenses	127.77	145.41
	23,491.35	24,041.76
Note (i): Payments to the auditors excluding service tax, comprises:		
As auditors - statutory audit	45.00	45.00
Company law matters	1.00	1.00
Other services	4.00	5.50
Reimbursement of expenses	3.90	4.30
	53.90	55.80



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

B. NOTES ON ACCOUNTS

27. Income tax expense

₹ lakhs

Particulars	Year ended March 31,2020	Year ended March 31,2019
Current tax:		
- In respect of current year	9,513.00	14,367.80
Deferred tax:		
- In respect of current year	121.03	(24.82)
Total income tax expense recognised	9,634.03	14,342.98

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

₹ lakhs

	Year ended March 31, 2020	Year ended March 31, 2019
Profit before tax	35,244.04	43,339.87
Expected income tax expense calculated at 34.944%(PY 34.944%)	12,315.68	15,144.68
Effect of expenses that are not deductible in determining taxable profit and foreign tax credit	494.10	180.30
Effect of concessions	(3,175.75)	(982.00)
Income tax expense recognised in profit or loss	9,634.03	14,342.98

The tax rate used for 2019-20 reconciliation above is the corporate tax rate of 34.944% (PY 34.944%) payable by corporate entities in India on taxable profits under Indian tax law.

The Company benefits from the tax holiday available for units set up under the Special Economic Zone Act, 2005. These tax holidays are available for a period of fifteen years from the date of commencement of operations. Under the SEZ scheme, the 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 unit 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, 2020	Year ended March 31, 2019
Earnings per share		
Basic		
Net profit / (loss) for the year attributable to the equity shareholders (₹ lakhs)	25,610.01	28,996.89
Weighted average number of equity shares	6,22,76,440	6,22,76,440
Par value per share (₹)	10	10
Earnings per share - basic and diluted (₹)	41.12	46.56

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) ₹ 1,899.33 lakhs and ₹ 1,567.37 lakhs for Provident Fund contributions for the year ended March 31, 2020 and March 31, 2019, respectively. ii) ₹ 809.95 lakhs and ₹ 645.69 lakhs for Superannuation Fund contributions for the year ended March 31, 2020 and March 31, 2019, 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, 2020	Year ended March 31, 2019
	₹ lakhs	₹ lakhs
Change in defined benefit obligations		
Present value of DBO at beginning of the year	3,162.06	2,465.33
Current service cost	416.40	308.41
Interest cost	236.20	186.37
Remeasurement of the net defined benefit liability	509.64	475.84
Benefits paid	(460.92)	(273.89)
Present value of DBO at the end of the year	3,863.38	3,162.06



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	₹ lakhs	₹ lakhs
Change in fair value of plan assets during the year		
Fair value of plan assets at beginning of the year	3,032.67	2,407.14
Interest Income	226.54	181.98
Employer's Contribution	1,016.67	700.00
Remeasurement -return on plan assets excluding amount included in interest income	3.78	17.44
Benefits paid	(460.92)	(273.89)
Plan assets at the end of the year	3,818.74	3,032.67
Funded status		
Deficit of plan assets over obligations	(44.65)	(129.39)
Surplus of plan assets over obligations	-	-
Category of Assets		
Insurer managed funds	3,818.74	3,032.67
Service Cost	416.40	308.41
Net interest on net defined benefit (assets)/liability	9.66	4.39
Net periodic gratuity cost	426.06	312.80
Actual return on plan assets	226.54	181.98
Actuarial (gains) and losses arising from changes in financial assumptions	173.64	18.73
Actuarial losses and (gains) arising from changes in experience adjustments	336.00	457.10
Remeasurement of the net defined benefit liability	509.64	475.83
Remeasurement - return on plan as sets excluding amount included in interest income	(3.78)	17.43
Total	505.86	458.40
	Year ended March 31, 2020	Year ended March 31, 2019
Actuarial assumptions for defined benefit obligation		
Discount rate	6.82%	7.47%
Expected return on plan assets	6.82%	7.47%
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, 2020. The Company is expected to contribute ₹ 578.63 lakhs to defined benefit obligations funds for the year ending March 31, 2021.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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 ₹ 260.96 lakhs (increase by ₹300.08 lakhs) as at March 31, 2020. If the expected salary growth increases (decreases) by 1%, the defined benefit obligations would increase by ₹ 302.58 lakhs (decrease by ₹ 267.56 lakhs) as at March 31, 2020. If the employee turnover rate increases (decreases) by 1%, the defined benefit obligation would increase by ₹ 29.69 lakhs (decrease by ₹ 35.03 lakhs).

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

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

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

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

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

The defined benefit obligations shall mature after year ended March 31, 2020 as follows.

Year ending March 31,	Defined benefit obligations
2021	345.10
2022	386.14
2023	408.59
2024	382.49
2025	362.26
Thereafter	5,384.51

₹ lakhs



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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, 2020 is as follows:

₹ lakhs

Particulars	Derivative instruments not in hedging relationship	Amortised cost	Total carrying value
Assets:			
Trade receivables	-	39,238.07	39,238.07
Cash and cash equivalents	-	22,842.45	22,842.45
Other bank balances	-	43,580.02	43,580.02
Loans to employees	-	89.37	89.37
Unbilled revenue	-	7,602.22	7,602.22
Other financial assets (Including Loans receivable)	90.34	2,430.84	2,521.18
Total	90.34	1,15,782.97	1,15,873.31
Liabilities:			
Borrowings- Lease liabilities	-	5,827.05	5,827.05
Trade payables	-	4,713.20	4,713.20
Other financial liabilities	378.41	4,291.00	4,669.41
Total	378.41	14,831.25	15,209.66

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 to employees	-	75.83	75.83
Unbilled revenue	-	5,089.10	5,089.10
Other financial assets (Including Loans receivable)	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	-	10,085.01	10,085.01

(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.

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, 2020	Level 1	Level 2	Level 3	Total
Financial assets/liabilities:				
Derivative financial assets		90.34		90.34
Derivative financial liabilities		378.41		378.41

(₹ lakhs)

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

(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.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(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 ₹ 47,010.28 lakhs held with five schedule banks having high credit-rating which are individually in excess of 10% or more of the company bank deposits for the year ended March 31, 2020. Trade receivables and unbilled revenue include an amount of ₹ 7,613.23 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, 2020.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to the credit risk was ₹ 1,15,873.31 lakhs and ₹ 94,879.54 lakhs as at March 31, 2020 and March 31, 2019, 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, 2020 and March 31, 2019, respectively.

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, 2020		As at March 31, 2019	
	Gross %	Net %	Gross %	Net %
United Kingdom	25.69%	25.47%	27.78%	27.88%
United States of America	24.93%	24.72%	20.07%	20.20%
India	23.47%	24.20%	23.32%	22.92%
Others	25.91%	25.61%	28.83%	29.00%

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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

₹ lakhs

Non-derivative financial liabilities:	Due in year 1	Due in 1 to 3 year	Above 3 years	Total
March 31, 2020				
Trade payables	4,713.20	-	-	4,713.20
Other financial liabilities	4,669.41	-	-	4,669.41
Lease liabilities	1,803.46	2192.37	3,541.48	7,537.31
Total	11,186.07	2,192.37	3,541.48	16,919.92

Non-derivative financial liabilities:	Due in year 1	Due in 1 to 3 year	Above 3 years	Total
March 31, 2019				
Trade payables	5,549.53	-	-	5,549.53
Other financial liabilities	4,535.48	-	-	4,535.48
Lease liabilities	-	-	-	-
Total	10,085.01	-	-	10,085.01

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.

(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.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The following table sets forth information relating to foreign currency exposures as at March 31, 2020 and March 31, 2019.

March 31, 2020					₹ Lakhs
	USD	GBP	EUR	Others*	Total
Total financial assets	18,102.12	13,553.95	12,026.61	5,436.86	49,119.55
Total Financial liabilities	2,631.03	480.01	401.60	153.55	3,666.19

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	121.34	3,134.76

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 ₹ 4,545.34 lakhs for the year ended March 31, 2020 and ₹ 3,487.92 lakhs for the year ended March 31, 2019 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.

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

March 31, 2020			
Foreign Currency	No of contracts	Notional amount of contracts (Currency value in lakhs)	MTM Values (₹ lakhs)
US Dollar	7	190.00	(369.71)
Sterling Pound	6	70.00	90.34
Euro	7	65.00	(8.70)

March 31, 2019			
Foreign Currency	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

Considering the current COVID-19 situation, we have analysed the credit risk and the consequential delay in realisation from our customers. This assessment is based on market outlook and the financial strength of the customers in respect of whom amounts are receivable. Based on our assessment, the valuation of receivable, unbilled receivable, contract assets and the provision for doubtful trade receivables as at March 31, 2020 is considered adequate. The Company continues to closely monitor the business outlook and the financial stress in the market and shall consider taking appropriate steps as may be needed to secure the financial interests of the Company

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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 (Up to 01st Oct 2019)	Key Managerial Personnel
Mr. Manoj Raghavan, Managing Director (w.e.f 2nd Oct 2019)	Key Managerial Personnel
Mr. Muralidharan HV, Chief Financial Officer	Key Managerial Personnel.
Ms. Bhavana Muralidharan	Relative of 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 Ltd	Subsidiary of Tata Sons P Ltd
Tata Advanced Systems Limited	Subsidiary of Tata Sons P Ltd
Tata Communications Ltd	Subsidiary of Tata Sons P Ltd
Tata Communications Transformation Services Limited	Subsidiary of Subsidiary Tata Sons P Ltd
Tata Aig General Insurance Company Ltd	Subsidiary of Tata Sons P Ltd
Tata Housing Development Company Ltd	Subsidiary of Tata Sons P Ltd
Tata Autocomp Systems Limited	Subsidiary of Tata Sons P Ltd
Tata Consultancy Services Limited	Subsidiary of Tata Sons P Ltd
Tata Investments Corporation Ltd	Subsidiary of Tata Sons P Ltd
Tata Limited	Subsidiary of Tata Sons P Ltd
Tata Teleservices (Maharashtra) Ltd.	Subsidiary of Subsidiary Tata Sons P Ltd
Tata Teleservices Ltd.	Subsidiary of Tata Sons P Ltd
Tata International West Asia DMCC	Subsidiary of Subsidiary Tata Sons P Ltd
Tata Advanced Materials Limited	Subsidiary of Subsidiary Tata Sons P Ltd



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Details of related party transactions:

The transactions during the year ended March 31, 2020 and balances outstanding as at March 31, 2020

₹ lakhs

Particulars	Company with significant influence	Key Managerial Personnel	Relative Key Managerial Personnel	Subsidiaries of Tata Sons Private Limited	Other related parties	Total
Revenue from operations	-	-	-	220.85	-	220.85
Dividend paid	3,549.86	-	-	193.72	-	3,743.58
Purchase of goods, services (including reimbursement)	1.26	-	-	769.16	-	770.42
Receiving of services - Brand fee and other services	402.47	-	-	-	-	402.47
Remuneration and commission	-	672.46	-	-	-	672.46
Contribution to employees' post employment plan	-	-	-	-	4,389.47	4389.47
Salary	-	-	35.26	-	-	35.26
Balances outstanding at the end of the year:						
Trade Receivable	-	-	-	45.00	-	45.00
Trade Payable	402.27	-	-	32.05	-	434.32
Other payables	-	138.00	-	-	338.24	476.24

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, 2019 and balances outstanding as at March 31, 2019

₹ lakhs

Particulars	Company with significant influence	Key Managerial Personnel	Relative 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	-	-	160.6	-	3,053.08
Purchase of goods, services (including reimbursement)	-	-	-	771.83	-	771.83
Receiving of services - Brand fee and other services	399.23	-	-	-	-	399.23
Remuneration and commission	-	916.69	-	-	-	916.69
Contribution to employees' post employment plan	-	-	-	-	3,808.83	3,808.83
Salary	-	-	-	-	-	-
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

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

32. Ind As 116

(a) Impact on transition to Ind AS 116

On transition to Ind AS 116, the Company recognized right-of-use assets and lease liabilities, recognizing the difference in retained earnings. The impact on transition is summarized below:

Particulars	Amount
	(in INR lakhs)
Right of use assets – property plant and equipment	5,285.41
Deferred tax asset	171.83
Lease liabilities	5777.14
Retained earnings	491.73

- (b): The Company leases office premises facilities. The leases typically run for a period of 1 to 10 years, with an option to renew the lease after that date. For certain leases, the Company is restricted from entering into any sub-lease arrangements.

Information about leases for which the Company is a lessee is presented below.

Right-of-use assets

Right-of-use assets related to lease hold properties.

	Land and buildings
a. Balance as at 1 April 2019(On adoption of Ind AS 116)	5,285.41
b. Additions to right of use asset	1,755.89
c. Depreciation charge for the year	(1831.58)
d. De-recognition of right of use assets	(308.24)
e. Accumulated depreciation on “d”above	281.79
f. Balance as at 31 March 2020	5,183.27

Lease liabilities

Maturity analysis – contractual discounted cash flows

	Contractual cash flows				
	Carrying amount	Total	0-1 years	1-5 years	5 years and above
Lease liabilities	5,827.05	7,537.32	1,803.46	3,485.47	2,248.39

The Company incurred ₹ 137.04 lakhs for the year ended 31 March 2020 towards expenses relating to lease of low-value assets.



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33. Contingent liabilities and Commitments:

Contingent liabilities and commitments (to the extent not provided for)	As at March 31, 2020	As at March 31, 2019
	₹ lakhs	₹ lakhs
(i) Contingent liabilities:		
Claims against the Company not acknowledged as debt		
1. Disputed demands for Income Tax aggregates.	3,107.22	210.75
2. Service tax matters	-	842.26

Notes:

- i. 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.

Capital commitments:	As at March 31, 2020	As at March 31, 2019
	₹ lakhs	₹ lakhs
Estimated amount of contracts remaining to be executed on capital account and not provided for		
Property, plant and equipment	290.31	57.32
Intangible assets	378.26	18.27

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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ lakhs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Segment revenue		
Software development & services	1,56,278.24	1,54,313.33
System integration & support services	4,707.80	5,379.83
Total	1,60,986.04	1,59,693.16
Segment results		
Software development & services	40,963.38	45,590.46
System integration & support services	592.82	923.20
Total	41,556.20	46,513.66
Less: Finance costs	556.26	-
Less: Unallocable expenditure (net of unallocable income)	5755.90	3,173.79
Profit before tax	35,244.04	43,339.87
Tax expense	9,634.03	14,342.98
Net profit for the period / year	25,610.01	28,996.89
Segment assets		
Software development & services	69,035.66	54,239.86
System integration & support services	1,371.74	1,915.11
Unallocable assets	68,490.74	58,183.91
Total	1,38,898.14	1,14,338.88
Segment liabilities		
Software development & services	22,168.44	12,683.88
System integration & support services	747.63	1,125.11
Unallocable liabilities	6,978.54	6,254.62
Total	29,894.61	20,063.61

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

₹ lakhs

Geographic Segment	Revenues		Non-current operating assets	
	For the year ended March 31, 2020	As at March 31, 2020	For the year ended March 31, 2019	As at March 31, 2019
India	19,235.00	16,201.04	19,282.18	11,409.48
US	55,370.64	12.52	48,980.71	9.18
Europe	65,865.16	4.49	70,577.16	7.17
Others	20,515.24	0.30	20,853.11	1.36
Total	1,60,986.04	16,218.35	1,59,693.16	11,427.19

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.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Information about major customers:

The revenues of ₹1,56,278.24 (previous year ₹ 1,54,313.33) lakhs arising from the software development and services segment includes ₹25,895.35 (Previous year ₹ 36,749.39) lakhs representing revenue of more than 10% of the total revenue of the Company is from one customer.

35. Ind AS 115 - Revenue

A. Contract balances

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

	As at March 31, 2020	As at March 31, 2019
Trade receivables	39,238.07	35,654.12
Unbilled receivables	7,602.22	5,089.10
Contract assets	1,351.90	2,873.82
Contract liabilities	2,958.62	1,592.18

The following table discloses the movement in contract assets during the year ended March 31, 2020:

	As at March 31, 2020
Balance at the beginning	2,873.82
Add: Revenue recognized during the year	12,557.40
Less: Invoiced during the year	14,206.61
Less : Translation gain/(loss)	(127.29)
Balance at the end	1,351.91

The following table discloses the movement in unearned revenue balances during the year ended March 31, 2020:

	As at March 31, 2020
Balance at the beginning	1,592.18
Less: Revenue recognized during the year	13,831.94
Add: Invoiced during the year	15,237.64
Less: Translation gain/(loss)	39.26
Balance at the end	2,958.62

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 revalidations, 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.

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The aggregate value of performance obligations that are completely or partially unsatisfied as of March 31, 2020 is ₹ 10,963.68 lakhs. Out of this, the Company expects to recognize revenue of around 74.77% 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

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	₹ lakhs	₹ lakhs
(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	1682.14	539.30
(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

a. Gross amount required to be spent by the Company during the year ₹ 582.42 lakhs (March 31, 2019 ₹ 483.13 lakhs)

b. Amount spent during the year on:

₹ lakhs

Particulars	For the year ended March 31, 2020			For the year ended March 31, 2019		
	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 above	582.42	Nil	582.42*	575.16	Nil	575.16*

* Includes overhead expense of ₹28.00 lakhs (March 31, 2019 ₹24.21 lakhs)

38. The Company had 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.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

39. The aggregate amount of research and development expenditure recognised as an expense during the year is ₹ 2,283.08 lakhs (Previous year ₹ 2,254.28 lakhs).
40. The sitting fee and commission for non-executive directors is ₹ 322.05 lakhs and ₹ 361.90 lakhs for the financial year 2019-20 and 2018-19 respectively.
41. During the year, the board has approved for special retiral benefits to the Managing Director who retired in October 2019. Accordingly, the Company has made a provision of ₹ 2,163 lakhs towards future pension and medical benefits by giving corresponding charge in the statement of profit and loss under employee benefit expense. Based on the legal opinion from the counsel, such benefits/payments are not managerial remuneration and accordingly not considered for computation of managerial remuneration under section 197 of the Companies Act 2013. The pension liability is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the date of each statement of financial position.

Actuarial assumptions for pension liability	For the year ended March 31, 2020
Discount rate	6.82%
Pension escalation	3.00%
Claim ratio	50.00%

42. Dividends

During the year ended March 31, 2020, the Company paid total dividends at ₹ 13.5 per equity share for the year ended March 31, 2019.

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.

Subsequent event note

On April 20, 2020, the Board of Directors of the Company have proposed a final dividend of ₹ 16.50 per share in respect of the year ended March 31, 2020 subject to the approval of shareholders at the Annual General Meeting.

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 20, 2020

for and on behalf of the Board

N G Subramaniam

DIN: 07006215

Manoj Raghavan

DIN: 0008458315

Muralidharan H V

G.Vaidyanathan

Bengaluru, April 20, 2020

Chairman

Managing Director

Chief Financial Officer

Company Secretary

SIGNIFICANT THREE YEARS' HIGHLIGHTS

	₹ Crs		
	2019-20	2018-19	2017-18
Sales and services	1610	1597	1386
Other income	58	43	43
Total Revenues	1668	1640	1429
Cost of sales	81	99	77
Personnel expenses	951	843	749
Financial expenses	6	-	-
Depreciation/ Amortization	43	25	25
Other expenses	235	240	214
Total Expenditure	1316	1207	1065
Profit before tax and exceptional items	352	433	364
Tax expenses	96	143	124
Profit after tax for the year	256	290	240

SIGNIFICANT RATIO ANALYSIS

SI. No.	Particulars	Unit	31.03.20	31.03.19	31.03.18
1	Earnings before interest, depreciation and tax/Sales	%	24.90	28.67	28.07
2	Profit before taxes/ Sales	%	21.86	27.11	26.26
3	Profit after taxes/ Sales	%	15.90	18.16	17.32
4	Current Ratio	No. of times	5.53	5.36	4.23
5	Earnings per share	₹	41.12	46.56	38.54
6	Dividend per share	₹	16.50	13.50	11.00
7	Book value per share	₹	175.03	151.38	118.56
8	Return on network	%	23.50	30.76	32.51



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