



June 07, 2023

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

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

Dear Sir/Madam,

Sub: Notice to the 34th Annual General Meeting (“AGM”) and Annual Report for the financial year 2022-23.

The 34th AGM of Tata Elxsi Limited will be held on **Tuesday, July 04, 2023 through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) at 02.30 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 to the 34th AGM along with the Annual Report of the Company for the financial year 2022-23, which is being sent by email to those Members whose email addresses are registered with the Company/ TSR Consultants Private Limited / Depository Participant(s).

The Annual Report containing the Notice is also uploaded on the Company's website - <https://tataelxsi.com/FY-2022-23-Integrated-Annual-Report.pdf>

Thanking you.

Yours truly,

For Tata Elxsi Limited

Cauveri Sriram
Company Secretary & Compliance Officer

TATA ELXSI

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

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

www.tataelxsi.com

(CIN-L85110KA1989PLC009968)



DESIGN



DIGITAL

Innovating for
the **Future**

TATA ELXSI
Integrated Annual Report **2022-23**

Corporate Information

as on May 18, 2023

Board of Directors



MR. N. GANAPATHY SUBRAMANIAM

Chairman
(Non-Independent and
Non-Executive Director)



MRS. SHYAMALA GOPINATH

Independent Non-Executive
Director



MR. SUDHAKAR RAO

Independent Non-Executive
Director



PROF. ANURAG KUMAR

Independent Non-Executive Director



MR. ANKUR VERMA

Non-Independent and
Non-Executive Director



MR. MANOJ RAGHAVAN

CEO & Managing Director

Committees

AUDIT

Mrs. S. Gopinath
Chairperson
Mr. Sudhakar Rao
Mr. Ankur Verma

NOMINATION & REMUNERATION

Mrs. S. Gopinath
Chairperson
Mr. N. G. Subramaniam
Mr. Sudhakar Rao

AUDITORS

BSR & Co. LLP
Chartered Accountants

STAKEHOLDERS' RELATIONSHIP

Mr. Sudhakar Rao
Chairman
Prof. Anurag Kumar
Mr. Manoj Raghavan

RISK MANAGEMENT

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

CORPORATE SOCIAL RESPONSIBILITY

Mr. Sudhakar Rao
Chairman
Mrs. S. Gopinath
Mr. Manoj Raghavan

REGISTERED & CORPORATE OFFICE

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

CHIEF FINANCIAL OFFICER

Mr. Gaurav Bajaj

COMPANY SECRETARY

Ms. Cauveri Sriram

REGISTRARS & SHARE TRANSFER AGENTS

TSR Consultants Private Limited
C-101, 1st Floor, 247 Park
Lal Bahadur Shastri Marg
Vikhroli (West), Mumbai - 400 083

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



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

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

Investor Information

| | |
|--|--|
| Market Capitalisation as at March 31, 2023 | Rs. 37,111.15 crores |
| CIN | L85110KA1989PLC009968 |
| BSE Code | 500408 |
| NSE Symbol | TATAELXSI |
| Dividend Declared | Rs. 60.60 per share |
| AGM Date | July 04 2023, Tuesday 2:30 pm (IST) |
| AGM Mode | Through Video Conferencing |

TATA ELXSI AT A GLANCE

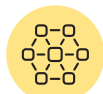
OPERATIONAL

Design Digital

Deploying Design thinking, processes and philosophies to create future digital solutions that delivers amazing customer experiences.

Helps derive strategic higher value engagements by delivering a vision of future products and services.

Uses 3D Approach to drive differentiated value to customers



Design



Domain



Digital

Deploys 4P Approach

as foundational pillars



People



Process



Product



Partner Ecosystem

INTELLECTUAL CAPITAL

Patents Filed: **111**

Patents Granted: **36**

INFRASTRUCTURE CAPITAL

Office Locations: **31**

Country Presence: **16**

Design Centres: **3**

FINANCIAL CAPITAL

Rs. **3,218.5** crores

Revenue for 2022-23

YoY **▲ 27.9%**

Rs. **755.19** crores

Profit After Tax for 2022-23

YoY **▲ 37.4%**

Rs. **121.26**

Earnings per share*

YoY **▲ 37.4%**

Rs. **334.9**

Book Value per share*

YoY **▲ 30.0%**

*as on March 31, 2023

SERVICE CAPITAL

Research & Strategy: Investigate, Strategise, Disrupt

Design: Service Design, UX Design, Product Design, Experience Design

Engineer: Software, Hardware, Mechanical and System Engineering

Test: Testing, Validation and Simulation

Deploy & Automate: Intelligent Network Operations, Operations Transformation, Cybersecurity



SOCIAL & RELATIONSHIP CAPITAL

Partnering for long-term value creation and co-creating imaginative solutions

Providing community engagement programmes in the field of education and healthcare

Ensuring employee well-being by introducing employee assistance programmes i.e., Sanjeevani Portal, Employee Health Platform, 1 to 1 Help



HUMAN CAPITAL

Total Workforce: **11,000+**

Diverse Workforce: **4,000+** Women Employees

Employee Value Proposition 'Home to a Billion Possibilities'

NATURAL CAPITAL

Share of Renewable Electricity (to Total Electricity) increased to **38.5%** in 2022-23

Prudent waste management ensuring **zero** waste to landfill

Rainwater harvesting to replenish water

Carbon emission (Scope 1 + 2) intensity (per FTE) reduced by **62%**

Facilities **ISO 14001:2015** certified



TATA ELXSI

BRINGING DESIGN TO THE DIGITAL FOREFRONT
MESSAGE FROM THE CHAIRMAN



Dear Stakeholders,

It is a delight to write this message after Tata Elxsi crossed the revenue milestone of Rs. **30 Billion** in 2022-23. In recent years, your Company's revenue and margins remained robust even when the overall business environment was not conducive to growth, such as during the pandemic or the current geopolitical climate.

Despite residual uncertainty in the business environment and a challenging geopolitical situation, Tata Elxsi maintained its high growth – high margin trajectory for the third consecutive year in 2022-23. Your Company's performance was strong across key geographies and verticals.

In 2022-23, your Company's operating revenue stood at Rs. 3,144.72 crores, representing a robust yearly growth of 27.28%. The Profit Before Tax for the year stood at Rs. 937.50 crores. The year's Net Profit stood at Rs. 755.19 crores, which corresponds to a 37.39% profit margin, one of the highest among our peers.

Operations

During the fiscal year 2022-23, our Transportation business grew by 32.70% year-over-year, continuing the upward trend observed the previous year. In addition to signing contracts for establishing a Centre of Excellence (CoE) for Tier 1 suppliers, your Company continued to obtain major contracts in next-generation SDV development, EV platform development, and related technologies.

Similarly, our Healthcare & Medical Devices business reported a robust YoY expansion of 37.56%. Multiple transactions in the segment utilised our innovation prowess, *design-led* engineering, and new product development capabilities.

This fiscal year saw an increase in *Design-Digital* contracts won across all three business segments. We anticipate this trend to persist into the following fiscal year.

At the 9th Annual CII Industrial Innovation Awards 2022, your Company was recognised as the 'Innovative Company of the Year' for the Large Enterprise Service Sector.

Investment in Size

Over the past two fiscal years, your Company has experienced robust top-line growth in excess of 72.20%. To support this growth, we have invested in building scale from the beginning of the fiscal year, expanding our presence to new locations and hiring a record number of employees.

We've opened a new office in Frankfurt, Germany, to collaborate closely with OEMs, Tier 1 suppliers, European technology companies, and universities to add value for our European customers. In addition, we have opened new offices in Hyderabad, Thiruvananthapuram, Chennai, Bengaluru, and Kozhikode, India, to be closer to the pool of engineering and technology graduates in their homeland.

In addition, to strengthen our position as the Employer of Choice, your Company launched the Employee Value Proposition (EVP) '*Home to a Billion Possibilities*', highlighting the limitless opportunities for development and enriching job experiences within your Company.

The EVP acknowledges each employee's contribution to your Company's success, outlines the variety of learning opportunities available to our engineers and managers, and emphasises our employees' autonomy in determining their career trajectories.

Looking Ahead

As we progress into the next fiscal year, your Company is well-positioned to take advantage of the opportunities presented by the digital revolution in business and consumer markets. And despite the muted macroeconomic outlook for large economies, our unwavering dedication to remaining competitive and at the forefront of innovation will enable us to continue to write our growth narrative.

I want to express my appreciation to our engineers, designers, and associates for their hard work and dedication to your Company. I also want to thank the management team, which is actively working to develop and expand our business at every opportunity.

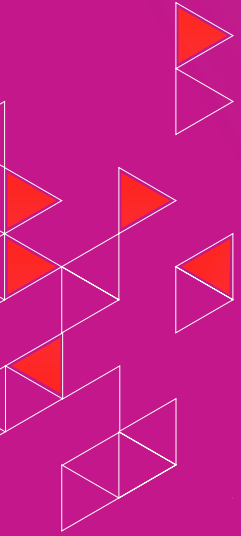
I also want to express my gratitude to my fellow board members for steering your Company at all times.

Your Board of Directors has recommended a final dividend of 606%, or Rs. 60.60 per share, subject to taxation, for your consideration.

Thank you, on behalf of the entire Board of Directors and management team, for your continued confidence, guidance, and support.

Yours Sincerely

N. G. Subramaniam



DESIGN DIGITAL



As Digital Technologies are integrated into consumer contexts, services, and products, new opportunities to increase operational efficiency, reduce costs, deliver new services to consumers, and enable new revenue streams for our customers are emerging. However, the technological complexity required to develop new products and services is increasing exponentially due to these technologies.

Tata Elxsi combines its world-renowned design expertise with its in-depth knowledge of digital technologies to create technologically advanced and innovative solutions that transcend the present and creates a world centred on the future.





Design Digital enables an organisation to look at Digital the right way – not just to infuse technology or obtain incremental operational efficiency gains, but as a transformational opportunity to re-examine the entire delivery of the service and experience – not only for end consumers as well as processes operations, and the people responsible for delivering the experience.

Tata Elxsi's Design Digital integrates a diverse global team that supports businesses in reimagining their products and services, including strategy, insights, service design, technology implementation, integration, and interaction design.

REIMAGINING DESIGN TO INTEGRATE DIGITAL

ABOUT TATA ELXSI

A LEADING GLOBAL DESIGN AND TECHNOLOGY SERVICES COMPANY

Tata Elxsi was founded in 1989 to develop and promote electronic, embedded systems and software applications. The mission was to accelerate the adoption of advanced technologies and foster innovation in the rapidly evolving IT market.

Tata Elxsi is currently one of the world's foremost providers of design and technology services for industries such as Automotive, Broadcast, Communications, Healthcare, and Transportation.

Tata Elxsi supports clients in reimagining their products and services by applying design thinking and digital technologies such as IoT (Internet of Things), Cloud, Mobility, Virtual Reality, and Artificial Intelligence.

Our engineering, design, and technology expertise has gained us a formidable reputation. In terms of our business operations, our presence can be broadly classified as follows:



AUTOMOTIVE

Expertise in automotive engineering spanning areas such as Advanced Driver-Assistance Systems, Autonomous Driving, Electrification, and Connected Car Solutions.

Offers innovative platforms and solutions such as TETHER – The Connected Vehicle Platform, TECockpit – The Integrated Cockpit solution and Autom@TE – The Test Automation Suite

30+ years

OF INDUSTRY PRESENCE

11,000+

STRONG WORKFORCE

16 countries

COVERED WITHIN CLIENTELE AND CUSTOMER BASE

3 verticals

AUTOMOTIVE, MEDIA, BROADCAST & COMMUNICATION, AND HEALTHCARE





MEDIA, BROADCAST & COMMUNICATION

Expertise in media engineering spanning areas such as Broadcast Automation, Content Management, and Over-The-Top (OTT) services.

Tata Elxsi has developed cutting-edge technologies such as the FalconEye Monitoring and Analysis system and the Media OTT solution for delivering content over the internet.

Expertise in communication engineering such as Wireless Protocols, Signal Processing, and Network Architecture.

Tata Elxsi has also developed cutting-edge solutions like TEOSM which is a Network Functions Virtualisation Management and Orchestration (NFV MANO) solution, and QoEtient – a video quality improvement solution.



HEALTHCARE

Expertise in providing solutions in areas of Diagnostics, Therapeutics, and Patient Monitoring.

Tata Elxsi's successful Digital Health Platform includes TEngage – the Omnicare solution, TEcare – the Digital Therapeutics solution and TEmpower – the patient assistance programme solution.

Tata Elxsi also offers outcome-based regulatory compliance services and Agile-based technical documentation remediation framework.

Tata Elxsi is firmly committed to fostering innovation, and we continually develop innovative technologies and solutions that provide our clients with a competitive edge in this digitally-driven, rapidly-changing market.



MISSION

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



VALUES

- ▶ **Agility** – Speed of decision making and actions
- ▶ **Confidence to take on the world** – Thinking big, taking risks
- ▶ **Transparency** – Building trust through openness and sharing
- ▶ **Improve Collaboration** – We win when we work together
- ▶ **Ownership** – Commitment - make it happen - do it well
- ▶ **Nurture Learning and Growth** – Create a learning environment

FOUNDATION

People

EMPLOYER OF CHOICE

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

Process

DELIVERY EXCELLENCE

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

Product

- ▶ Designed for ScaleTEngage
- ▶ TEPlay
- ▶ TETHER
- ▶ QoEtient

Partner Ecosystem

NEXT-GEN CAPABILITIES

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

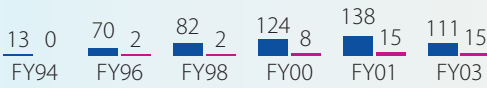




OUR JOURNEY SO FAR

Growth Over the Years

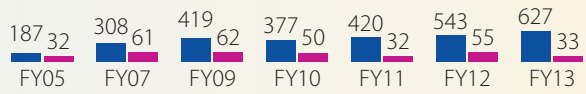
Revenue and PBT (Rs. In Crores)



Gen 1: SI + ER&D

1991 – Mini Supercomputer Mfg. and R&D Started System Integration (SI)

1996 – Pivoted R&D team to ER&D
Topline growth primarily driven by SI



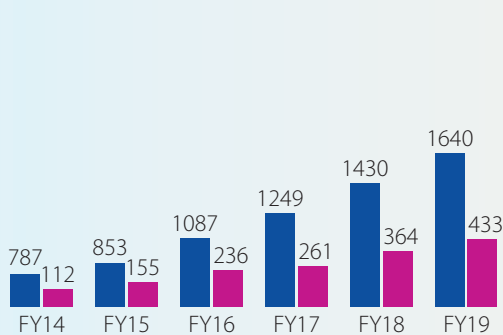
Gen 2: ER&D + SI + Design + Content

Initiated ID (Industrial Design) business

Initiated VCL for Visualisation and Animation business

Topline grew at 11%

Design + Visualisation + ER&D grew at 12%



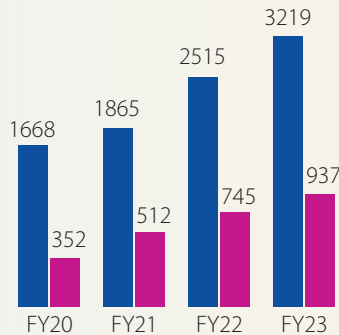
Gen 3: ER&D + Design

VCL merged with Design

Leadership in Auto and Media & Communication

Initiated Medical Electronics entry

Topline grew at 14% and bottom-line by 30%



Gen 4: Design-Led Engineering

Scaling for growth

Net employee number grew by 80% during the period

Topline CAGR of 24.5%

PBT CAGR of 38.6%



**PRODUCTS,
PARTNERSHIPS,
ASSOCIATIONS
& ALLIANCES**



PRODUCTS

autonomai

TETHER

AutomaTE

STAF

TESA

V-Drive

eMOBILITY

DMS/CaMS

TECockpit

QoEtient

OTA

iCX

TEPLAY

TEOSM

AIVA

TEngage
omnichannel care simplified

TEmpower

TEcare

TESafe

TEDREG
Global Regulatory Intelligence Platform

PARTNERSHIPS

RENESAS

Green Hills
SOFTWARE

ni

Google

INVIDI

aws

Azure

ASSOCIATIONS & ALLIANCES

AUTOSAR

CHARIN

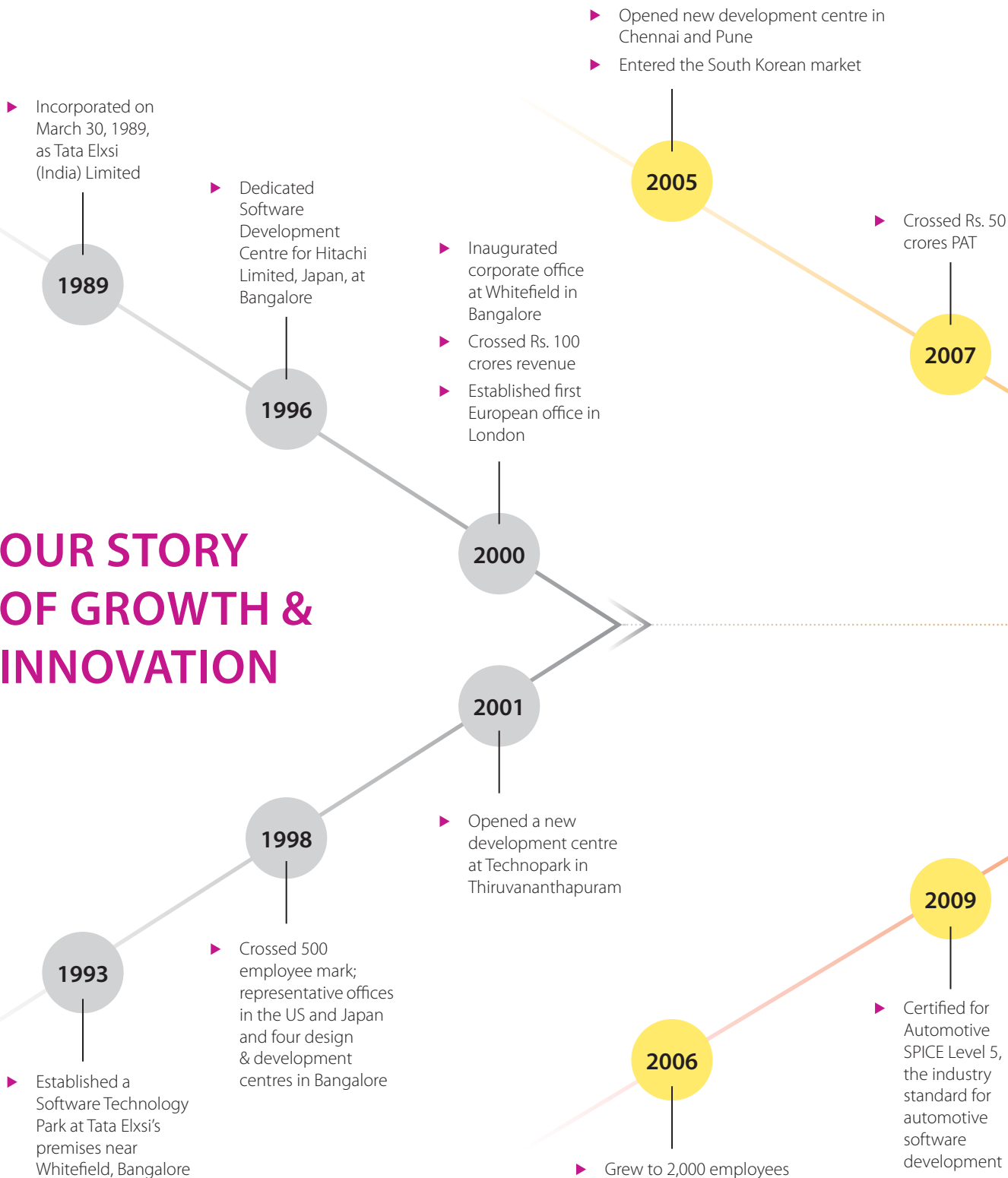
SOAFEE

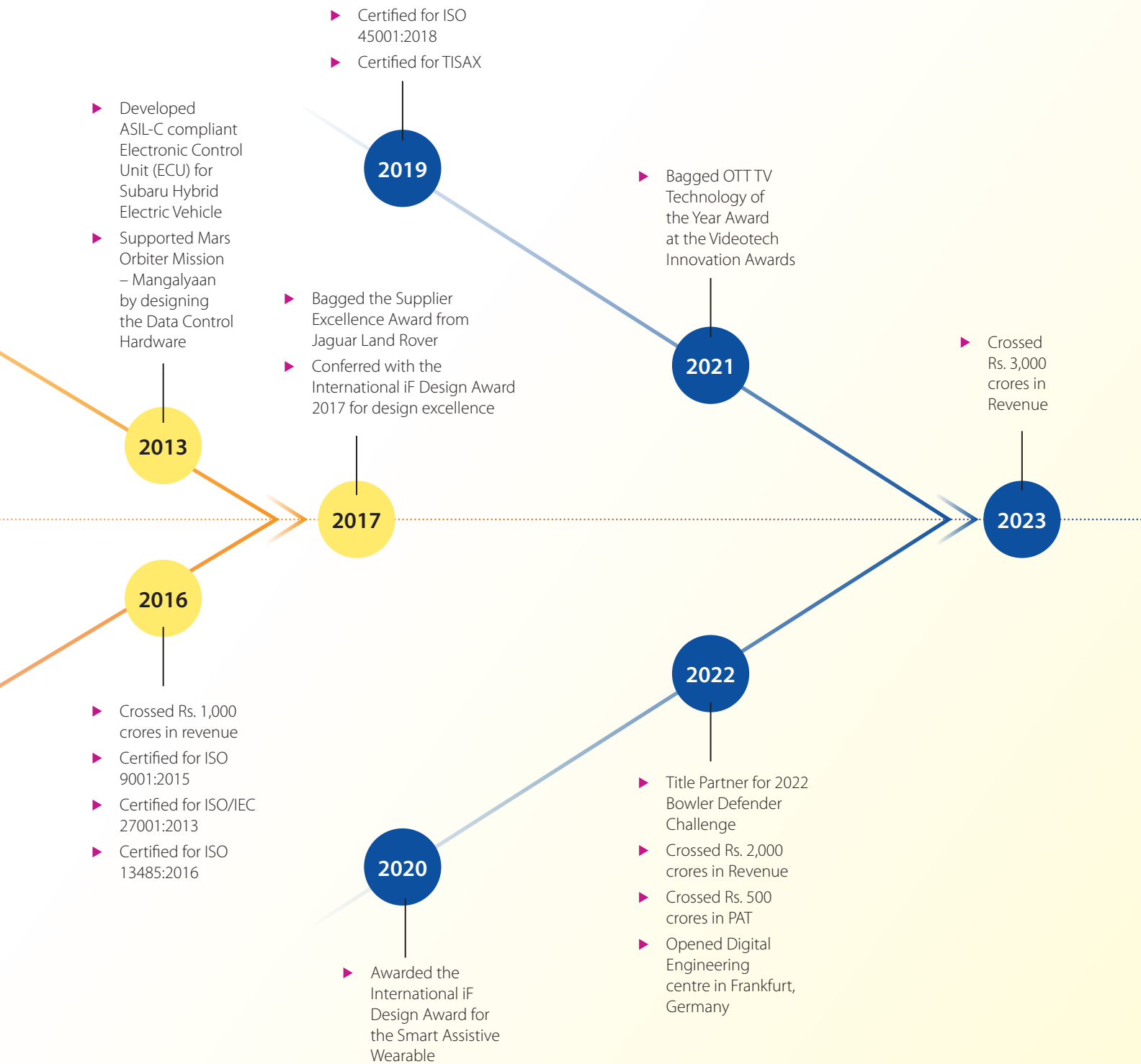
Open Source
MANO

RDKit
REFERENCE DESIGN KIT

DIGITAL
THERAPEUTICS
ALLIANCE

OUR STORY OF GROWTH & INNOVATION





INNOVATING DESIGN, DIGITALISING PRESENCE

INTELLECTUAL CAPITAL



Digital pervades all facets of products and services in the present and future global economy. Tata Elxsi's *Design-Led* engineering capabilities support its clients in offering innovative and well-differentiated products to international markets.

Tata Elxsi has been one of the few companies worldwide providing customers with technology and design services for over three decades.

Our extensive expertise in applying Design principles to developing cutting-edge products and services ensures that our customer engagements are strategic and well-aligned with a future vision.

The *Design-Digital* strategy of Tata Elxsi aims at achieving business excellence through human-centred design solutions. With the perfect combination of technical execution and design excellence, we have assisted in developing products and services that deliver an exceptional customer experience.

Our *Design-Digital* capabilities are further enhanced by our deep expertise in the transportation, media and communications, and healthcare industries and by our diverse team of strategic thinkers, consumer insights experts, award-winning designers, technologists, and digital experts.

To leverage our technology and design capabilities, and to continuously push the envelope of design and innovation, Tata Elxsi has a structured framework of Innov@TE which helps in strengthening the culture of innovation by encouraging idea generation and selective maturing of ideas and concepts for solution development. This helps us in continuously bring new product ideas to the market and strengthen our business offerings.

Tata Elxsi's patent team actively supports these innovators with intellectual property rights management and various formalities related to patent filings. Till date, your Company has filed 111 patents and has been granted 36 patents.

To further the spirit of Design and Innovation, Tata Elxsi also announced a global contest for creating a Sustainable Design solution on the World Industrial Design Day. The contest saw over 180 design innovation submissions from across the world, including leading design schools from the US, UK and India.

As a testimony of our *Design-led* engineering capabilities and our deep expertise in cutting-edge technologies, Tata Elxsi's futuristic connected TV solution won the prestigious Tata Innovista Award. This solution provides key moment generation for sports and is integrated with dynamic brand insertion technology. The AI and ML enabled key moment generation technology identifies and generates highlights in a chronological order of events.

Tata Elxsi also won the prestigious Golden Peacock Innovation Management Award for 2021. It is a reaffirmation of Tata Elxsi's commitment to establish cutting-edge business and market strategies in order to expand its service portfolio and value proposition.

Tata Elxsi also received the *Innovative Company of the Year Award* for the Large Enterprise Service Sector at the 9th Annual Confederation of Indian Industry Industrial Innovation Awards 2022. The Confederation of Indian Industry created the CII Industrial Innovation Awards, which are regarded as one of the most prestigious innovation awards in the country.

SCALING GROWTH, STREAMLINING DESIGN DIGITAL FINANCIAL CAPITAL



Tata Elxsi's selection of verticals and geographies is well-aligned with increasing profitable and sustainable growth. On the foundation of the 4Ps – People, Process, Products, and Partner Ecosystem – are well-grounded its strategic growth vectors of leadership in select verticals, expansion in adjacent markets, and scalability of key accounts.

Our well-balanced geographic and vertical presence is intended to continue propelling the Company along the path of development by protecting against industry cycles and currency fluctuations.

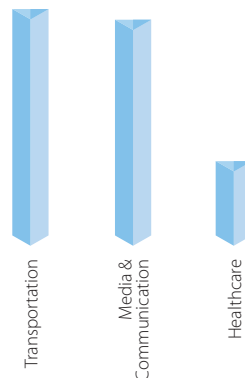
In 2022-23, despite macroeconomic headwinds and geopolitical uncertainties, Tata Elxsi witnessed steady growth in its top-line revenues while maintaining industry leading EBITDA margins. Our Transportation business grew by 32.7% in 2022-23, along with the Media & Communication business and the Healthcare business which grew by 18.2% and 37.6%, respectively.

We continue to lead design with our industrial design business domain, reporting a 25.7% growth on a year on year basis in constant currency terms. This business continues to help us differentiate our offerings, seed entries into new projects and customers and set the foundation for larger downstream development projects. In constant currency terms, our System Integration business domain (SI) and Embedded Product Design (EPD) business domain registered a healthy growth of 54.4% and 24.0%, respectively.

EPD - Steady Growth in Chosen Verticals

REVENUE GENERATED (Rs. in crores)

1177.0 1134.2 423.5



REVENUE CONTRIBUTION (%)



- **43.0** → Transportation
- **41.5** → Media & Communication
- **15.5** → Healthcare

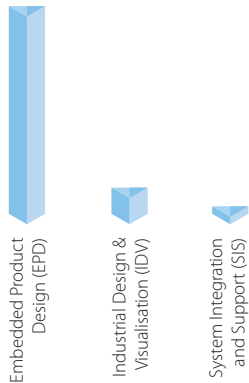
GROWTH ON A YoY BASIS (%)

- ▲ **32.7** → Transportation
- ▲ **18.2** → Media & Communication
- ▲ **37.6** → Healthcare

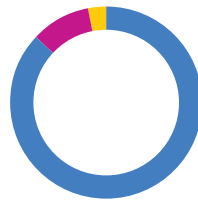
Domain-wise Growth Statistics

REVENUE GENERATED (Rs. in crores)

2,734.67 326.56 83.48



REVENUE CONTRIBUTION (%)



- **87.0** → Embedded Product Design (EPD)
- **10.3** → Industrial Design & Visualisation (IDV)
- **2.7** → System Integration and Support (SIS)

GROWTH ON A Y-O-Y BASIS (%)

- ▲ **26.9** → Embedded Product Design (EPD)
- ▲ **24.4** → Industrial Design & Visualisation (IDV)
- ▲ **54.9** → System Integration and Support (SIS)

From an overall operational point of view, our revenues from operations for 2022-23 stood at Rs. 3144.7 crores, translating to a growth of 27.3%, YoY. The PBT for the year stood at Rs. 937.5 crores, registering a growth of 25.7% y-o-y and Net Profit for the year clocked in at Rs. 755.2 crores, reporting growth of 37.4% year-on-year.

A Snapshot of our value creation (in lakhs) shared in the Table Below:

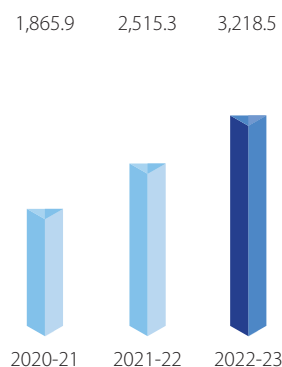
(Rs. in lakhs)

| PARTICULARS | 2020-21 | 2021-22 | 2022-23 |
|--|----------|----------|-------------|
| Net Profit after Tax | 36,812 | 54,967 | 75,519 |
| Income Tax Expense | 14,374 | 19,582 | 18,230.71 |
| Depreciation and Amortisation | 4,438 | 5,534 | 8,138.98 |
| Operating Profit before Working Capital Changes | 54,897 | 78,945 | 98,139.63 |
| Net Cash (used in)/Generated from Operating Activities | 43,739 | 48,303 | 48,685.84 |
| Net Cash (used in)/Generated from Investing Activities | (43,773) | (10,829) | (20,191.09) |
| Net Cash (used in)/Generated from Financing Activities | (12,646) | (32,610) | (30,312.11) |
| Cash and Cash Equivalents at the End of the Period | 10,042 | 15,111 | 13,389.17 |



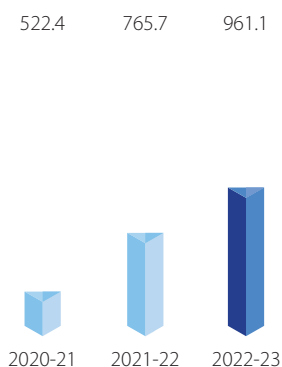
REVENUE

(Rs. in crores)



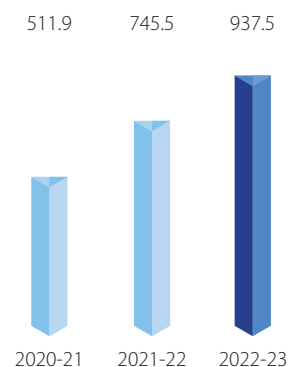
EBITDA

(Rs. in crores)



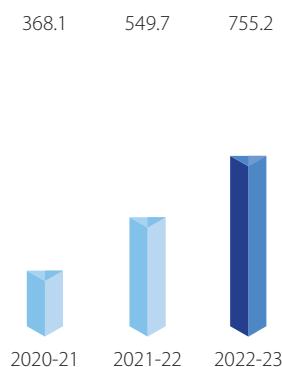
PBT

(Rs. in crores)



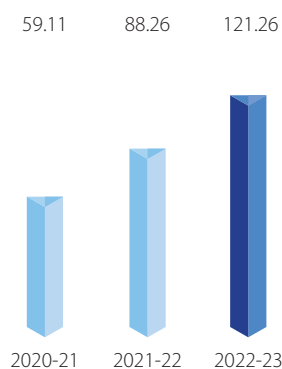
PAT

(Rs. In crores)



EPS

(Rs.)



STRENGTHENING FOUNDATIONS OF DESIGN DIGITAL INFRASTRUCTURE CAPITAL



Tata Elxsi's industry-leading growth has been strengthened by its investments in scale, including record net employee additions and expanding presence in new locations. Our global network of design studios and development centres, as well as our team of over 11,000 + engineers, specialists, and designers, enables us to provide global support to our clients.

During 2022-23, Tata Elxsi added more than 2,400 employees on net basis, which was 4.8 times the net additions in 2019-20. To support this, Tata Elxsi has been expanding its presence in new locations in India as well as abroad.

To further strengthen its commitment to expanding business growth in Europe, your Company announced the opening of its Digital Engineering centre in Frankfurt, Germany. This centre will serve as a platform to bring together Tata Elxsi's talent and expertise in providing world-leading digital Engineering solutions for next-generation mobility, media and communications and healthcare sectors. This centre will work closely with OEMs, Tier 1, European technology companies and universities to discover and develop new SW and HW design and engineering concepts driving business outcomes and adding value to our customers across Europe.

In India, Tata Elxsi is expanding its presence in Hyderabad, Thiruvananthapuram, Bengaluru, Kozhikode and Chennai SEZ. These centres would help Tata Elxsi in reaching closer to native pool of engineering and technology graduates who are working in other parts of India and the world.

Highlights of Our Strong Infrastructural Presence

3

DESIGN STUDIOS

5

R&D CENTRES INDIA

31

OFFICE LOCATIONS



THIRUVANANTHAPURAM



HYDERABAD





• CHENNAI 1 SEZ



• KOZHIKODE



• BHORUKA TECH PARK, BENGALURU

LEVERAGING DESIGN + DIGITAL SERVICE CAPITAL



Tata Elxsi's offshore delivery model has been refined over the years and is supported by our world-class Delivery Assurance Framework – a suite of project and process management tools that facilitates the delivery of projects.

The Delivery Assurance Framework has been developed to meet the specifications of the verticals we operate. The framework's robustness encourages our clients to offshore their most vital projects and processes to our locations.

The strength of Tata Elxsi's service capital management comes from our strong offshoring model perfected over the years, our world class talent acquisition and retention processes and practices, and continuous investments in employee training and development. This gives confidence to our customers to offshore business critical projects and processes to us, which is reflected in the high offshoring revenue share in our revenue mix.

To address the new changes/expectations from the customers, regulatory framework, BU specific nuances, and enhance the rigour of the project delivery, we use Project Health Indicator as a crucial internal alert mechanism for structured reviews at various levels. A detailed in-process compliance checklist is used for assessing the project's compliance to various SW development lifecycle processes. These are supported by in-process CSAT in addition to various audits, assessments and reviews by HR, Quality and IT teams.



Location-Wise



NORTH AMERICA

Canada, Jacksonville, Philadelphia, Santa Clara, Troy

EMEA

Dubai, France, Germany, Ireland, Italy, London Digital Studio, Netherlands, Portugal, South Africa, Spain, UK

APAC

Japan, Malaysia

INDIA

Bangalore (HQ), Chennai, Delhi, Hyderabad, Mumbai, Pune, Thiruvananthapuram, Kozhikode

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

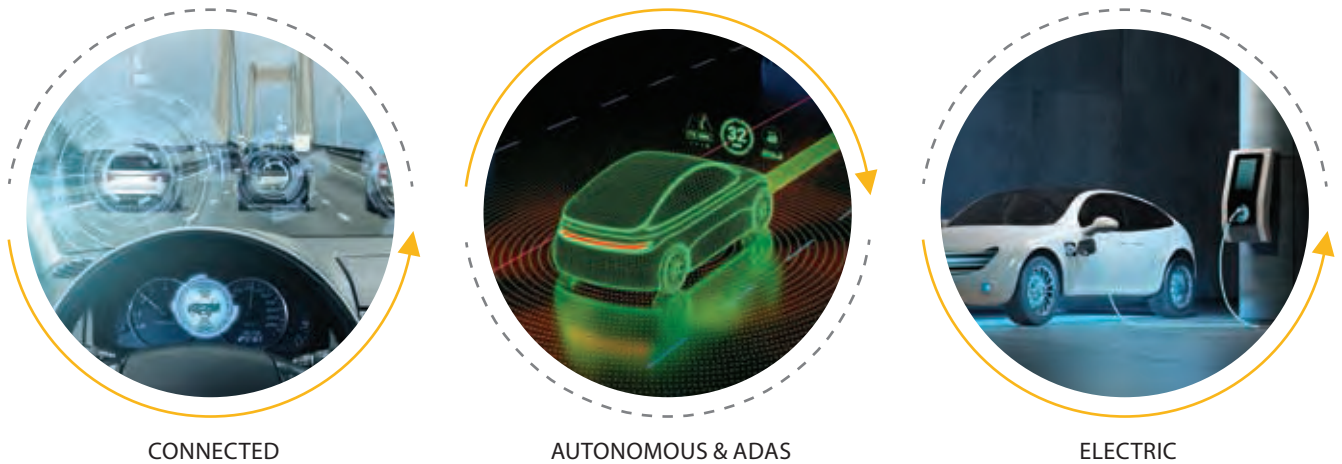


VERTICAL-WISE

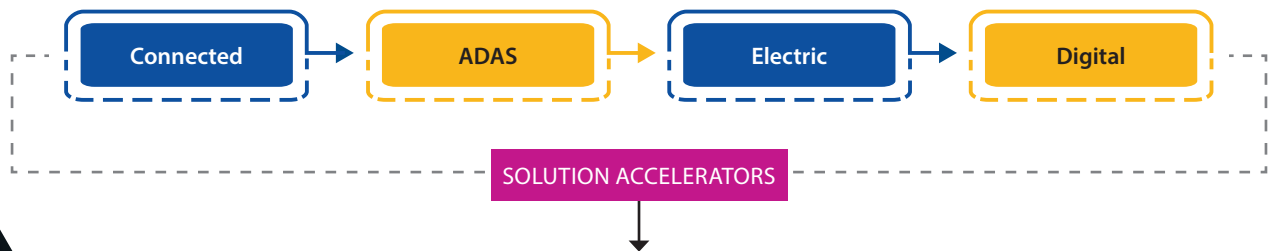
Today, our key services and offerings are aligned as per the megatrends. Our partner ecosystem helps us build targeted solutions and through them, we carve out a Joint GTM to address the growing mobility requirements. We supplement this through our internal investments in solution accelerators in each of the focus areas.

AUTOMOBILE VERTICAL

Platforms



Aligning with the Adjacencies



TETHER Automa**TE** V-Drive DMS/CaMS

eMOBILITY HILS



MEDIA & COMMUNICATION VERTICAL

Solution Domains

Multi System Operator



Cable



Satellite



Telco

News Media



Broadcasters



Studios

Suppliers



OEM



Silicon Companies



Software Suppliers

Tapping Opportunities



Open Technology Adoption

Android

RDK

O-RAN



Digital Transformation

Adtech

Workflow Automation

CX Management



Digital Platforms

Performance Engineering

Agile Software Factory

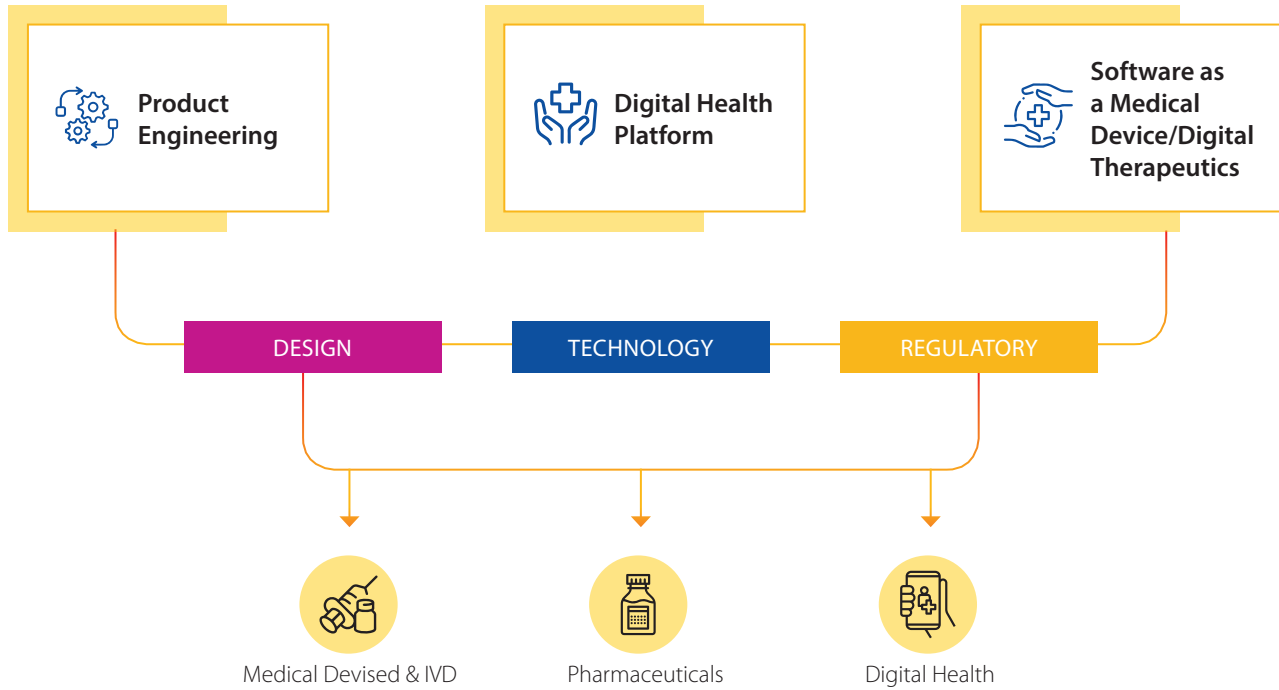
Cloud-Device Integration

Experience Design



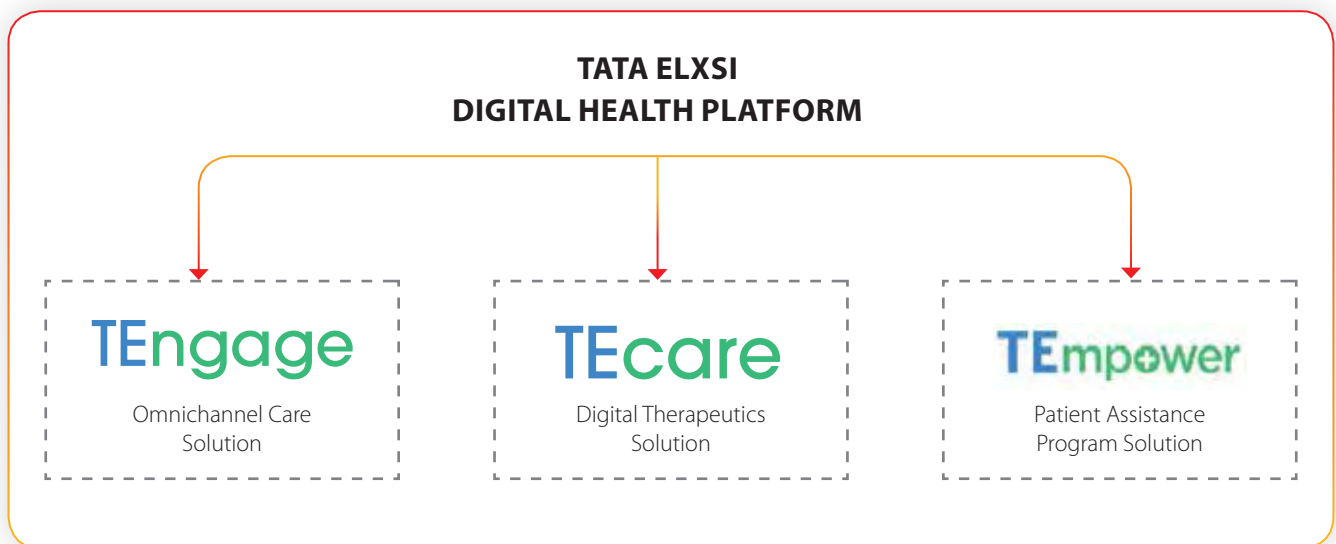
HEALTHCARE VERTICAL

Solution Domains



Tata Elxsi Digital Health Platform

One Platform, many solutions...



FOSTERING A CULTURE DESIGNED TO NURTURE HUMAN CAPITAL



We take immense pride in fostering an inclusive organisational culture prioritising our employees' personal and professional development. We consider it an honour to call our people Elxsians and to be a part of the Tata Elxsi family.

Our goal is to cultivate a sense of belonging and purpose among our team members by fostering a workplace culture that values diversity, inclusiveness, and collaboration. Our people-centered policies and efforts contribute to the development of our human capital and significant improvement of our operational effectiveness.

During the fiscal year 2022-23, Tata Elxsi added more than 2,000 people, bringing the overall number of employees to over 11,000 by March 2023.

Home to a Billion Possibilities

Our Human Capital strengthens our capability to stand out from the competition on the market. One of our top priorities is to continuously nurture and help our employees grow. We have designed our organisational structure to offer our team countless opportunities to foster their development.

Our newly adopted Employee Value Proposition (EVP) 'Home to a Billion Possibilities' carries the idea of Tata Elxsi being a home to our people where they are cared for, nurtured, and enabled to explore endless possibilities and pursue accelerated path of growth. From an organisational standpoint, our EVP is intended to encourage our employees to be bold and curious, as they seek to shape the future.



For more details please refer Principle 3 and Principle 5 of the BRSR

PROTECTING THE PLANET WITH CONCERTED EFFORTS

NATURAL CAPITAL



Sustainability and environmental preservation are of the highest importance to us. Even though our operations do not pose any significant environmental concerns, we plan for and mitigate any risks arising from our operational processes.



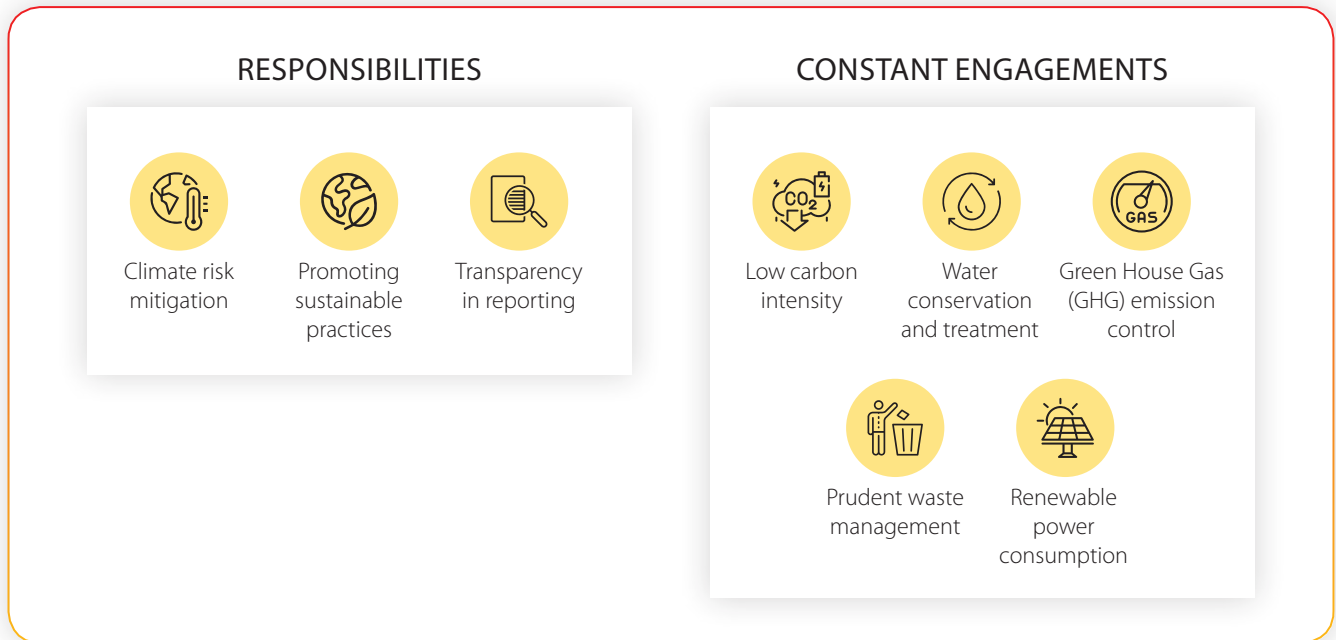
Our Environmental Stewardship Strategy

At Tata Elxsi, we are dedicated to creating a sustainable future through targeted initiatives, collaboration, renewable energy, and responsible practices that benefit both the environment and society. Our comprehensive programmes focus on building an economically viable future, while prioritising the well-being of future generations and creating a secure environment.

We strive to foster collaboration with employees, customers, shareholders, suppliers, partners, local administration, NGOs, and leading institutions to drive sustainability forward. With 38.5% of our energy coming from renewable sources, we actively invest in rooftop solar generation and procurement of green power to increase its share. Our emphasis on energy-efficient infrastructure helps optimise resource consumption. Furthermore, our Ecovadis Bronze rating demonstrates our commitment to responsible practices across areas like environmental impact, labour conditions, ethical sourcing, and business conduct.

As a testament to our commitment to environment, we have incorporated sustainable practices across all levels of our organisation. We emphasise efforts on alleviating climate change and their disclosures. We recognise the role education and engagement can play in deciding our collective future. And so, we undertake initiatives to raise awareness among our associates and other stakeholders.

Our Environmental Stewardship Framework



Sustainability Targets

Envisioning a greener future, we have meticulously woven our ESG strategy to embark on a transformative journey towards carbon neutrality by 2030. We are taking proactive steps to reduce our energy use, increase our reliance on renewable energy sources, and promote energy conservation and climate change awareness. We are dedicated to minimising our use of natural resources, including water and electricity, and taking concrete steps to reduce our carbon footprint, improve water availability, and minimise waste. Additionally, our offices and facilities are aligned with our energy efficiency targets, and we are upgrading to energy efficient equipment. We are working to create a more sustainable future for ourselves and future generations, while achieving tangible benefits for our organisation and stakeholders.



Aspire to be
Carbon Neutral
by 2030

All offices
ISO 45001 & ISO 14001 Certified

ZERO Waste-to-Landfill

Assessment of climate change risks for key office locations
100% of Key Offices by 2025

GHG emission intensity (tCO₂e / mUS\$)
Scope 1+2 Carbon Emission Intensity (per Full-time Employee FTE) Reduced by 62%

Wastewater recycled **100%**

For more details please refer Principle 6 of the BRSR

Renewable energy in total electricity use **38.5%**

High Maturity rating on Leadership on Business Ethics

Ecovadis sustainability rating



CULTIVATING STRONG STAKEHOLDER RELATIONS SOCIAL AND RELATIONSHIP CAPITAL



Our long-term strategy for community engagement and development is founded on our extensive network of connections. Our relationship capital is at the centre of this network, which indicates our organisation's fundamental values. This demonstrates the strength of our enduring relationships with our employees, business partners, and customers and our success in creating and cultivating these connections over time.

PRIORITISING OUR CUSTOMERS

At Tata Elxsi, we pride ourselves on being a customer-centric organisation. We are committed to providing our customers with products and services at par with global standards. We take our legal and ethical obligations seriously, and our products and services comply with all relevant laws. With a strong emphasis on customer engagement, we recognise that positive relationships with clients are essential to building a thriving business. Through our customer-centric approach, we aim to understand and anticipate the needs of our clients, and consistently exceed their expectations. This is achieved through regular communication, collaboration, and providing customised solutions that are tailored to the unique requirements of each client.

COMMUNITY ENGAGEMENT

At Tata Elxsi, we recognise that we are part of a larger ecosystem, and we believe that by giving back to the community, we can create a more sustainable future for all. We are committed to actively assisting in the improvement of the quality of life of the people in these communities. We engage with the community and other stakeholders to minimise any adverse impact that our operations may have. This is reflected in our efforts to encourage our workforce to volunteer on projects that benefit the communities in which we operate. By doing so, we are able to contribute to the common good and create positive change.

Theme Shiksha

We have curated a number of programmes to advance research and education under the larger Shiksha concept. We have determined the needs of these communities by interacting with rural schools, orphanages, institutions for special kids, slums, and technical schools. In 2022-23, 600+ students have already benefited from our activities aimed at delivering high-quality education. The following events were sponsored by us last year:

Scholarship for 178 diploma engineering students across Kerala

Scholarship for 40 students from slums and orphanages in Pune

Sponsoring a special comprehensive and coordinated centre, focusing on performance and arts for 42 students with spasticity in Chennai and Bengaluru and support for 10 orphans in Bangalore

Sponsoring an MSc programme on Conservation Practice for 25 students, with ATREE (Ashoka Trust for Research in Ecology and the Environment) Bangalore with financial aid for those in need. The Master's programme brings together businesses, NGOs, government agencies, and academic institutions to develop a new generation of environmental leaders who will lead future waves of change

Two skill development programmes for a total of 250 transgenders all across India

Seven skill development programmes for 280 needy young adults all across India

Theme Niramay

Through Niramay, we strive to make healthcare available to the needy, often at their doorsteps by augmenting critical diagnostic and surgical devices at hospitals and running health centres and mobile health camps in slums and remote areas. We also sponsor research to make healthcare affordable. In 2022-23, we reached out to 25,000+ beneficiaries through our programmes under this theme. The following projects were undertaken as part of this programme:

Supported a network of clinics in a significant slum in Bangalore and operated mobile clinics in satellite locations

Set up Aarogya Kutis and mobile clinics for 12 tribal villages in Khed, Taluka, Pune

Sponsored important equipment for the 11-bed ICU at the upcoming advanced trauma care facility at Kannigapuram (CMC Vellore)

Assisted IIT Madras for a multi-year research, design, and prototype work on a high-performance prosthetic foot, a power standing wheelchair, and an economical, high-quality hand-neuro-rehabilitation device. These technologies can improve the lives of thousands of people with physical disabilities

Sponsoring a central govt. research facility for research in technology for early detection of cancer, from blood samples

Sponsored purchase of medical equipment for advanced maternity ward, HDU and neonatal ICU in a tribal hospital in Attappady, Palakkad, Kerala and increased their in-patient capacity by 25 beds



Theme Paryavaran

Under this theme, we initiated programmes in 2022-23 to reinforce our commitment to the environment and to bring in a more focussed approach towards preservation of natural resources. Under this theme, we have commenced a set of long-term programmes to achieve that goal.

Planned a project at Kodagu to improve the livelihood of 350 tribal farmers by enhancing their coffee yield significantly over the next three years. 5,000+ trees and shrubs will be planted over 200 acres of land; 50 farm ponds, 15 solar pumps, 500 smokeless Chullhas will be provided, income of 100 landless farmers will be augmented by helping them set up bee keeping, poultry, mushroom cultivation. Farmers will be trained to switch over to organic farming to get a higher price for their yield. The impact of this project on the livelihood, education and health of the families, on the ground water level and the environment is expected to be significant

Initiated rejuvenation and restoration of a lake in the vicinity of Tata Elxsi office in Bangalore. This multi-year project will see plantation of 500+ trees and shrubs, creation of a biodiversity spot surrounding the lake, waste-water treatment, and amphitheatre, among others. The effect of this project will be quite significant in improving the ground water level of the locality

Created Eco-campus in CSIR facility in Trivandrum and Planted 2,500 trees and shrubs



COMMUNITY VOLUNTEERING

Our volunteers had an exceptional year in 2022-23 due to their involvement in numerous impactful community initiatives.

As part of the community engagement initiatives, our employees volunteered for various programmes to benefit one of our key stakeholders, namely the community.

Our volunteers mentored the diploma students who received scholarships to prepare them for employment opportunities in the industry after graduation. We taught English and Mathematics, mentored engineering students, while also teaching project management, among other significant programmes. We also conducted mock interviews and developed online course modules to familiarise engineering and diploma students with real-world challenges.

Our ProEngage team curated a number of long-term volunteer opportunities with non-governmental organisations (NGOs) across India. In addition, we collaborated with other Tata Group companies to participate in volunteer initiatives.

14,000+
Hours

TEAM VOLUNTEERING*

474 Units

BLOOD DONATED ACROSS OUR LOCATIONS*

*For 2022-23

As part of our efforts to promote inclusion,

our volunteers recorded audiobooks for visually impaired students

As part of our sustainability initiative, **we planted over 3,000 trees in Bangalore and Trivandrum**



EMPLOYEE SUPPORT PROGRAMMES

Sanjeevani Portal

Sanjeevani provides a unifying platform for employees and their families to discuss health and wellness issues. The portal makes it simple to get important information and promotes dialogue to address any problems.

Employee Health Platform

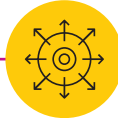
Tata Elxsi has partnered with a luxurious and award-winning health platform to offer the Company's employees and their families a corporate membership plan. Employees are granted unlimited and free access to ongoing discussions with doctors from 18 different medical specialities under the plan.

1 to 1 Help

We understand the importance of early intervention in building mental resilience. Our partnership with 1 to 1Help provides confidential and unlimited counselling services to all Elxsians and their families, helping them overcome stressful times.



Four pillars that serve as the foundation to our EVP:



Go Beyond



Script Your Future



Learning, Everyday



You Matter



Go Beyond

Inspires employees to push themselves beyond their comfort zones; explore, experiment and take advantage of the myriad opportunities available

Script Your Future

Provides a setting for our workers where they can discover their passion and unleash their potential

Learning, Everyday

Offers the right environment, tools and resources so that our employees can learn and grow, every day. Thus, empowering and enabling them to generate fresh concepts that support our people's individual and organisational progress

Learning Platforms

Learning Paths

Tailored technology courses ensure new entrants to our customer programme are 'First Day First Hour Productive', maximising their immediate impact and success

E-Learning

One can explore a range of certification programmes offered by e-learning platforms, empowering them to expand knowledge and skills



Leadership & Technical Development

Offering platforms that unleash employee potential through comprehensive programmes, equipping one with essential skills to thrive in the future



Learnify Policy

Through a thoughtfully curated course list, one can facilitate their learning experience by seeking sponsorship for the chosen programme



You Matter

At Tata Elxsi, we have created a community culture wherein everyone gets recognised and appreciated.

For more details please refer Principle 9 of the BRSR



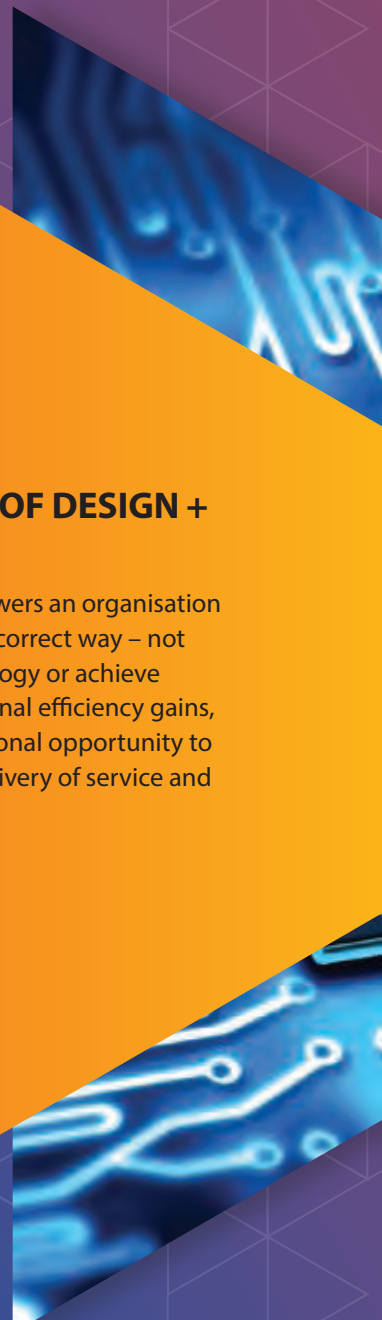
EXPANDING DESIGN DIGITAL

Technology will be integrated in new ways with people, businesses, and the environment in the media, communications, automotive, and healthcare industries. This will result in many opportunities for changing our working and living conditions.

How does one choose, define, and implement the digital transformation that will have the greatest impact when there are millions of possible scenarios?

THE NEW ERA OF DESIGN + DIGITAL

Design Digital empowers an organisation to look at digital the correct way – not just to infuse technology or achieve incremental operational efficiency gains, but as a transformational opportunity to rethink the entire delivery of service and experience.



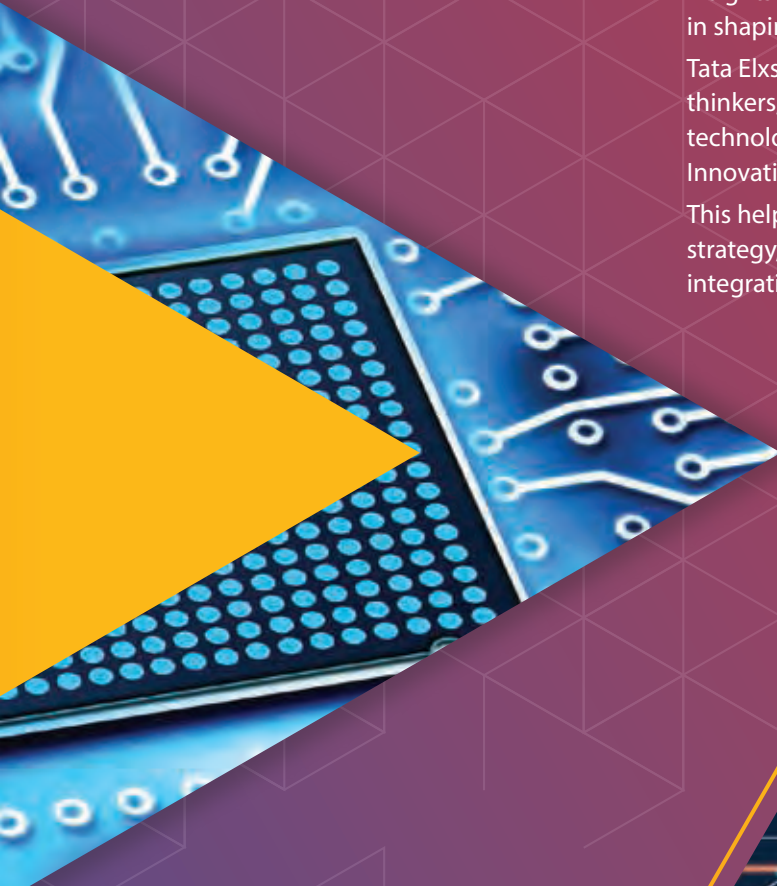
LEADING WITH DESIGN DIGITAL

Digital technologies are creating new opportunities to increase operational efficiency, reduce costs, provide new services to consumers, and enable new revenue streams for our customers. However, the level of technology required to develop new products and services is increasing exponentially due to these advances.

Tata Elxsi delves deeper into the concept of 'Design Digital' with insights from thought leaders on the critical role that design will play in shaping the future of enterprises and consumers.

Tata Elxsi's Design Digital consists of a diverse global team of strategic thinkers, consumer insights specialists, award-winning designers, technologists, and digital experts, a network of Design Studios, Innovation Hubs, and Centres of Excellence for Digital technologies.




This helps enterprises reimagine their products and services - from strategy, insights, and service design to technology implementation, integration, and interaction design.



EMPOWERING ENGAGEMENT TO BUILD TRUST

Regular engagement with our stakeholders empowers us to make informed business decisions and develop strategic plans that drive us towards continued success. Our stakeholders are the people, groups of people, or organisations which are influenced or impacted by what we do.

We proactively engage with all our stakeholders – customers, investors, employees, local partners, collaborators, academic institutions, and regulatory bodies. This has helped us build a strong foundation of trust with the stakeholders that we regularly engage with.

| Stakeholders | Importance of Engagement | Key Concerns | Engagement Mechanism | Frequency of Engagement | Capitals Linked |
|---|---|--|---|---|--|
|  CLIENTS | <ul style="list-style-type: none"> ▶ End-users of our products and services ▶ Enablers of market share ▶ Enable the Company to understand industry trends and client pulse | <ul style="list-style-type: none"> ▶ Innovation ▶ Thought leadership ▶ Business ethics ▶ Cybersecurity and data privacy | <ul style="list-style-type: none"> ▶ Delivery excellence ▶ IPs and competencies ▶ Technology conventions and seminars | <ul style="list-style-type: none"> ▶ Annual or Bi-Annual/ Need based ▶ Targeted | <ul style="list-style-type: none"> ▶ Human Capital ▶ Social and Relationship Capital |
|  EMPLOYEES | <ul style="list-style-type: none"> ▶ Growth enablers and value drivers ▶ Organisational culture and brand philosophy drivers | <ul style="list-style-type: none"> ▶ Employee engagement, safety & well-being ▶ Talent & skill management ▶ Diversity & inclusion | <ul style="list-style-type: none"> ▶ Work opportunities ▶ Learning & development ▶ Rewards & recognitions ▶ Industry-leading policies and practices | <ul style="list-style-type: none"> ▶ Annual or Bi-Annual/ Need based ▶ Targeted | <ul style="list-style-type: none"> ▶ Human Capital |
|  INVESTORS | <ul style="list-style-type: none"> ▶ Providers of capital ▶ Extended family of the Company | <ul style="list-style-type: none"> ▶ Ethics & compliance ▶ Corporate governance ▶ Timely and transparent disclosure ▶ Economic performance | <ul style="list-style-type: none"> ▶ Analyst meets & analyst briefings ▶ Quarterly results ▶ Annual general meetings ▶ Integrated report ▶ Financial results ▶ Press releases ▶ Social media | <ul style="list-style-type: none"> ▶ Annual and quarterly ▶ Need based | <ul style="list-style-type: none"> ▶ Financial Capital |



LOCAL COMMUNITIES

| | | | | |
|---|--|--|---|---|
| <ul style="list-style-type: none"> ▶ Social relationship enabler ▶ Enablers of the Company's corporate social image | <ul style="list-style-type: none"> ▶ Business sustainability ▶ Social & governance practices | <ul style="list-style-type: none"> ▶ Code of conduct ▶ Sustainability & supplier sustainability policies | <ul style="list-style-type: none"> ▶ Annual/Quarterly Targeted | <ul style="list-style-type: none"> ▶ Social and Relationship Capital |
|---|--|--|---|---|

COLLABORATORS

| | | | | |
|---|---|--|--|---|
| <ul style="list-style-type: none"> ▶ Co-creators of the partnered ecosystems | <ul style="list-style-type: none"> ▶ Innovations ▶ Business ethics ▶ Economic performances | <ul style="list-style-type: none"> ▶ Partners' meet ▶ Training, conferences, workshops | <ul style="list-style-type: none"> ▶ Annual ▶ Need based ▶ Targeted | <ul style="list-style-type: none"> ▶ Intellectual Capital ▶ Social and Relationship Capital |
|---|---|--|--|---|

ACADEMIC INSTITUTIONS

| | | | | |
|--|---|--|--|---|
| <ul style="list-style-type: none"> ▶ Key synergy creators for potential future employees and technologies | <ul style="list-style-type: none"> ▶ Employee engagement, safety and well-being ▶ Talent & skill management | <ul style="list-style-type: none"> ▶ Recruitment drives & campus connect ▶ University collaborations | <ul style="list-style-type: none"> ▶ Annual ▶ Need-based ▶ Targeted | <ul style="list-style-type: none"> ▶ Human Capital ▶ Intellectual Capital |
|--|---|--|--|---|

REGULATORY BODIES

| | | | | |
|--|--|--|---|---|
| <ul style="list-style-type: none"> ▶ Providers of better guidance for conducting business ▶ Help deliver long-term value to the society and community ▶ Providers of better environmental compliances ▶ Help maintain regulatory compliances | <ul style="list-style-type: none"> ▶ Ethics & compliance ▶ Corporate citizenship ▶ Climate change | <ul style="list-style-type: none"> ▶ Compliance reports | <ul style="list-style-type: none"> ▶ Targeted ▶ Regulatory compliance-based | <ul style="list-style-type: none"> ▶ Social and Relationship Capital |
|--|--|--|---|---|

For more details please refer Principle 4 of the BRSR

IDENTIFYING MATERIAL PRIORITIES TO DESIGN STRATEGIES

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

Materiality Assessment Methodology

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



Materiality Analysis

We conduct materiality assessments as a means of prioritising the most pressing issues. Our approach involves a comprehensive analysis of sustainability megatrends within each region, global standards, peer benchmarking, and business challenges. This process yields valuable insights, allowing us to compile a list of the topics that matter most to the Company and stakeholders.

The Company's policies, code of conduct, and sustainability strategy demonstrate our dedication to sustainability. We constantly concentrate on the problems that are important to our stakeholders. We have adopted a two-factor approach to highlight these issues, considering both their effect on our business operations and their importance to our stakeholders. With the assistance of a recent materiality study we conducted, we were able to identify 12 material themes crucial to our business and stakeholders. The materiality map was then employed to determine and create our Company's ESG strategy.



Material Topics



Emissions and Climate Change

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



Waste Management

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



Water Management

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



Biodiversity

- ▶ Promote and preserve biodiversity



Community Engagement

- ▶ Support local communities through CSR initiatives
- ▶ Engaging employee in volunteering activities



Diversity, Equity, and Inclusion

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



Talent Management

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



Employee well-being, Health & Safety

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



Data Privacy & Security

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



Corporate Governance and Conduct

- ▶ Compliance with regulations
- ▶ Maintain moral and open corporate behaviour
- ▶ Adopt anti-corruption, stakeholder engagement and ensure fiscal accountability, and anti-bribery policies
- ▶ Manage potential conflicts of interest



Responsible Procurement and Supply Chains

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



Product and Service Stewardship

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

For more details please refer Section A of the BRSR

DESIGNING A GOVERNANCE FRAMEWORK TO ACHIEVE STRATEGIC OBJECTIVES

Our commitment to being a purpose-led, people-centric, and performance-driven organisation is evident in our governance practices. We adhere to the highest governance standards in fulfilling our duties, managing environmental and social impacts and ensuring transparency in all our operations. Our brand is renowned in the industry, attributed to our outstanding governance practices, founded on ethical conduct, candid disclosures, and unwavering business integrity.

Board of Directors



Mr. N. Ganapathy Subramaniam

CHAIRMAN (NON-INDEPENDENT AND NON-EXECUTIVE)

Mr. N. Ganapathy Subramaniam has been the Chairman (Non-Independent and Non-Executive) of Tata Elxsi Limited since November 2014. Additionally, he has served as the Chief Operating Officer (COO) of TCS since February 2017, having previously been the Executive Vice President and Head of TCS Financial Solutions, a strategic business unit of TCS. Mr. Subramaniam actively participates in banking, technology and business forums, with specific expertise in risk management and Six Sigma orientation. His vast knowledge of technology trends, systems, and policies of leading global corporations and international businesses makes him an invaluable asset to these industries. Mr. Subramaniam holds a Masters in Mathematics from the University of Madras.



Mrs. S. Gopinath

(INDEPENDENT NON-EXECUTIVE DIRECTOR)

Mrs. Gopinath is a highly respected individual who retired from her position as Deputy Governor of the Reserve Bank of India. She is currently a Board Member of various listed and unlisted companies. Throughout her career, Mrs. Gopinath has accumulated a wealth of experience guiding and influencing national policies across various financial sector regulation and supervision areas. Her expertise extends to developing and regulating financial markets, capital account management, management of government borrowings, forex reserves management, RBI accounts, and payment and settlement systems. She has a Master of Commerce Degree and is also a Certified Associate of the Indian Institute of Bankers. Her vast knowledge and experience in the financial sector make her an invaluable asset to any organisation.





Mr. Sudhakar Rao

(INDEPENDENT NON-EXECUTIVE DIRECTOR)

Mr. Rao, a retired Indian Administrative Service (IAS) officer from the 1973 batch, is an Independent Director for various listed companies. He was awarded the Kannada Rajyotsava Award under the Public Service category by the Government of Karnataka. Mr. Rao has held numerous senior positions throughout his career, 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, and Development Commissioner. He also served as the Chief Secretary of Karnataka until he retired from Government service. Mr. Rao is highly educated and 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. His extensive experience in the public sector and education make him an asset to any organisation.



Prof. Anurag Kumar

(INDEPENDENT NON-EXECUTIVE DIRECTOR)

Prof. Anurag Kumar is a highly accomplished individual, having been elected Fellow of the IEEE, the Indian National Science Academy (INSA), the Indian National Academy of Engineering (INAE), the Indian Academy of Science (IASc), and The World Academy of Sciences (TWAS).

Prof. Kumar's extensive education, research, and industry experience make him a valuable contributor to the field of information technology. He has published over 200 peer-reviewed papers, provided consulting services, and mentored a networking start-up. He holds a B.Tech from IIT Kanpur, a PhD from Cornell University, and was a Professor and Director at IISc.



Mr. Ankur Verma

(NON-INDEPENDENT AND NON-EXECUTIVE DIRECTOR)

Mr. Verma is a Senior Vice President at Tata Sons Limited and a Director on the Boards of Tata AIA Life Insurance Company Limited, Tata Capital Housing Finance Limited, and Tata Teleservices Limited. Before joining Tata Sons, he held senior positions at Bank of America Merrill Lynch and Infosys Technologies Limited's Corporate Planning Group. Mr. Verma holds a B.E. in Mechanical Engineering and a PGDM from IIM Calcutta and has about 15 years of experience in Investment Banking, Capital Markets, and Corporate Strategy.



Mr. Manoj Raghavan

(CEO & MANAGING DIRECTOR)

Mr. Manoj Raghavan, with over 26 years of industry experience, was appointed as the CEO & MD of Tata Elxsi in October 2019. Prior to this, he served as the Executive Vice President and Head of the Embedded Product Design (EPD) division, leading sales, overall delivery, and P&L for this division. Mr. Raghavan joined Tata Elxsi in 1997 as the Regional Manager to establish and expand the Company's operations in Japan, and later took on responsibility for developing the business in South Korea, Taiwan, Singapore, and China. He 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 Programme from Harvard Business School.

RECOGNISING DESIGN DIGITAL LEADERSHIP AWARDS & ACCOLADES

CII MOST INNOVATIVE COMPANY OF THE YEAR



Conferred with Innovative Company of the Year Award for the Large Enterprise Service Sector at the 9th Annual Confederation of Indian Industry Industrial Innovation Awards 2022. These awards, which are regarded as one of the most prestigious innovation awards in the country, recognise and honour innovative Indian businesses across all industry segments and sectors.

Three innovations from Tata Elxsi were featured:

- ▶ The Future of Connected TV
- ▶ The Smart Parking Pilot (Learn | Detect | Self Park)
- ▶ The TETHER-HyperScalar Unified Smart Mobility Platform

VANGUARD AWARDS



We are proud recipients of multiple awards at the Unfold Vanguard Awards 2023. These accolades were presented at the Intrapreneurship Conclave on April 27, 2023, held at the Bangalore International Centre.

Honoured with multiple awards at the Unfold Vanguard Awards 2023. The awards are a testimony to our excellence in innovation and developing complete products and solutions that compete and rank among the best in global markets.



E4M AWARDS



Tata Elxsi was awarded three awards (1 Gold and 2 Bronze) at the recently concluded Exchange4Media India Design Excellence Awards in May 2023. India Design Excellence Awards is a platform to reward the best in the Design and Creative space across industries whose designs have improved daily living with their practical and ingenious creations.

- ▶ In the Best Design for Automotive and Transport category, Gold Award for **Tata Motors NEXON EV** in Human Machine Interface (HMI) Design.
- ▶ Bronze for **Best Design for Print & Published Media** for Asian Paints Rangeelo Rajasthan.
- ▶ Bronze for **Best Design for Retail Space Designing** the Tata AutoComp Experience Centre.

OSNTV AWARD



BroadcastPro Manufacturer Award for 'Best in Linear Distribution' for OSNTV Box in May 2023, to celebrate the companies whose products are at the core of the Middle East broadcast sector – at the forefront of innovation.

Notice to the 34th Annual General Meeting

Notice is hereby given that the **Thirty Fourth Annual General Meeting** ('AGM') of **Tata Elxsi Limited** ('the Company') will be held on **Tuesday, July 04, 2023, at 02:30 p.m. (IST)**, through Video Conferencing ('VC') or Other Audio Visual Means ('OAVM') to transact the following businesses:

ORDINARY BUSINESS

Item No. 1 - Adoption of the Audited Financial Statements, Directors' and the Statutory Auditors Report for the Financial Year ended March 31, 2023

To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2023, together with the Reports of the Board of Directors and the Auditors thereon.

Item No. 2 - Declaration of Final Dividend

To declare a final dividend on equity shares for the Financial Year 2022-23.

Item No. 3 - Re-appointment of Mr. N Ganapathy Subramaniam (DIN: 07006215), who retires by rotation

To appoint a Director in place of Mr. N Ganapathy Subramaniam (DIN: 07006215) who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

Item No. 4 - Approval of Material Related Party Transactions with Jaguar Land Rover Limited, UK

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

"RESOLVED THAT pursuant to Section 188 of the Companies Act, 2013 ('the Act') and all other applicable provisions under the Act, read with the Companies (Meeting of Board and its Powers) Rules, 2014 (as amended from time to time), Regulation 23(4) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations') and the Company's Policy on dealing with Related Party Transaction(s), based on

the recommendation of the Audit Committee and the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall be deemed to include any Committee constituted/ empowered/ to be constituted by the Board from time to time to exercise its powers conferred by this resolution), the approval of the Members be and is hereby accorded to the Board to enter into, contract(s)/ arrangement(s)/ transaction(s) (whether by way of an individual transaction or in a series of transactions either taken together or otherwise) with **Jaguar Land Rover Limited, UK ('JLR')**, a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations, on such terms and conditions as may be agreed between the Company and JLR and as may be deemed fit by the Board, for an aggregate value of up to ₹ 600.00 crores to be entered during FY 2023-24, subject to such contract(s)/arrangement(s)/transaction(s) being carried out at arm's length and in the ordinary course of business of the Company.

RESOLVED FURTHER THAT the Board hereinafter referred to as 'Board' which term shall be deemed to include the Audit Committee of the Company and any duly constituted/to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution, be and is hereby authorised, to do and perform all such acts, deeds, matters and things, as may be necessary, including finalising the terms and conditions, methods and modes in respect thereof and finalising and executing necessary documents, including contract(s), scheme(s), agreement(s) and such other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including Governmental/regulatory authorities, as applicable, in this regard and deal with any matters, take necessary steps as the Board may, in its absolute discretion deem necessary, desirable or expedient, to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed



Notice to the 34th Annual General Meeting (Contd.)

to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board, be and is hereby authorised to delegate all or any of the powers herein conferred, to any Director(s) including the Managing Director or Chief Financial Officer or Company Secretary or any other Officer(s)/ Authorised Representative(s) of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid resolution.”

By the Order of the Board

Date: May 18, 2023
Place: Bangalore

Cauveri Sriram
Company Secretary

NOTES:

- In compliance with General Circular Nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 05, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 08, 2021 and 10/2022 dated December 28, 2022 issued by the Ministry of Corporate Affairs (“MCA”) (hereinafter collectively referred to as “MCA Circulars”) and the provisions of the Companies Act, 2013 (“the Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), the **34th Annual General Meeting (“AGM”)** of the Company is being held through **VC / OAVM** without the physical presence of Members at a common venue. The deemed venue for the 34th AGM will be the Registered Office of the Company - Tata Elxsi Limited, ITPB Road, Whitefield, Bangalore - 560048.
- As per the provisions of Clause 3.A.II. of the General Circular No. 20/2020 dated May 05, 2020, the Special Business as appearing in Item No. 4 of the accompanying Notice, is considered to be unavoidable by the Board and hence, forming part of this Notice.
- The Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the business under Item No. 4 of the Notice is annexed hereto. The relevant details, pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), in respect of Directors seeking appointment/re-appointment at this Annual General Meeting is annexed.
- Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, 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. Hence, proxy form, attendance slip and route map are not annexed to this Notice. However, Institutional Investors and Corporate Members are entitled to appoint authorised representatives to attend this AGM through VC / OAVM, participate thereat, and cast their votes through e-voting.
- Institutional shareholders (i.e. investors other than individuals, HUF, NRI etc.) intending to appoint authorised representative to participate and/or vote through e-voting, are requested to send scanned copy of the certified true copy of Board Resolution/ Authority letter etc. to the Scrutinizer by e-mail to scrutinizer.tel@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders and Corporate Members may also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on “Upload Board Resolution / Authority Letter” displayed under “e-Voting” tab in their login.
- The Members may join the AGM in the VC / OAVM mode thirty minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in this Notice.

Notice to the 34th Annual General Meeting (Contd.)

7. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
8. In line with the General Circular Nos. 20/2020 dated May 05, 2020 and No. 02/2021 dated January 13, 2021, and the relevant circulars issued by SEBI, the Notice of this AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories/ RTA. For the physical copy of Annual Report, the Members may send requests to the Company's dedicated investor email-id: investors@tataelxsi.com. The Notice of 34th Annual General Meeting and Annual Report for FY 2022-23 is also available on the Company's website - www.tataelxsi.com, websites of the Stock Exchanges, i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of NSDL <https://www.evoting.nsdl.com>.
9. Members desirous of seeking information regarding Accounts of the Company are requested to send their queries to telagm@tataelxsi.com on or before **June 26, 2023**.
10. In the case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM through e-voting.
11. The Register of Members and Share Transfer Books of the Company will remain closed from **Friday, June 23, 2023 to Tuesday, July 04, 2023 (both dates inclusive)** to determine the shareholders entitled to receive the Final Dividend as recommended by the Board of Directors for the year ended March 31, 2023.
12. If the dividend, as recommended by the Board of Directors, is approved at this AGM, payment of such dividend will be made as under:
 - a. To all Beneficial Owners in respect of shares held in dematerialised form as per the data as may be made available by the National Securities Depository Limited ('NSDL') and the Central Depository Services (India) Limited ('CDSL') as of the close of business hours on **Thursday, June 22, 2023**.
 - b. To all Members in respect of shares held in physical form after giving effect to valid transmission or transposition requests lodged with the Company as of the close of business hours on **Thursday, June 22, 2023**.
13. SEBI vide its notification dated January 25, 2022, has mandated listed companies to issue securities in dematerialised form only while processing service requests, viz., issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Further, as per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 01, 2019. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or M/s. TSR Consultants Private Limited ('RTA'), for assistance in this regard.
14. The Securities and Exchange Board of India ('SEBI') has mandated the submission of Permanent Account Number ('PAN') by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participant with whom they are maintaining their demat account.
15. The Securities and Exchange Board of India, vide its circulars dated November 03, 2021, December 14, 2021 and March 16, 2023, has mandated the furnishing of PAN, address with PIN code, e-mail address, mobile number, bank account details,



Notice to the 34th Annual General Meeting (Contd.)

specimen signature and nomination by holders of physical securities. Further, if any ONE of the cited documents / details as enunciated in the said circulars is NOT registered with Company / RTA, within **September 30, 2023**, such physical folios shall be frozen by the Company / Registrar and Share Transfer Agent of the Company (RTA). Members holding shares in physical mode are requested to update their PAN, KYC and Nomination details with the Company / the RTA of the Company on or before **September 30, 2023** to keep their folio compliant. The formats for Updation of PAN, KYC and Nomination details in accordance with the above referred SEBI circular are available on the Company's website at www.tataelxsi.com or <https://www.tcplindia.co.in> > Investor Services > Downloads > KYC. The duly filled-in Forms along with supporting documents may be sent to the RTA at their address - TSR Consultants Private Limited, C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai - 400083. Members may submit the duly filled complete set of scanned documents with e-sign* through e-mail. Please note that documents received only from the registered e-mail address of the shareholders will be considered. The documents received from e-mail address of brokers and third parties will not be entertained. Alternatively, Members may upload the documents on the [website of the RTA](#).

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

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

17. The Central Board of Direct Taxes ('CBDT') has mandated linking PAN & Aadhar. In this regard, Members are requested to link their PAN with Aadhar on or before **June 30, 2023**, being the last date specified by CBDT for linking PAN and Aadhar. The securities held in physical folios that have no PAN registered against the same/ have invalid PAN / have PAN not linked with Aadhar, as on the notified cut-off date of September 30, 2023, or any other date specified, shall also be frozen.
18. 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 the name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs, in case they hold the shares in electronic form and to the Company's Registrars and Transfer Agents, TSR Consultants Private Limited for shares held in physical form, with relevant documents, by following the instructions given under S.no. 15 of the Notes.
19. **Manner of registration of e-mail address to receive the Annual Report for FY 2022-23 including AGM Notice:**

In terms of MCA Circulars, as a one time measure for the purpose of the 34th AGM, the Eligible Members, whose e-mail addresses are not registered with the Company / DP and who wish to receive the Annual Report along with the AGM Notice electronically and to cast the vote electronically, may register their e-mail addresses on or before **06:00 p.m. (IST) on Saturday, June 24, 2023**, pursuant to which such Member shall receive the Notice of this AGM along with the Annual Report for FY 2022-23 and the procedure for remote e-Voting along with the login ID and password for remote e-Voting. In this regard, Members may refer and follow the below mentioned steps:

Notice to the 34th Annual General Meeting (Contd.)

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

After successful submission of the e-mail address, NSDL will email a copy of the Notice of this AGM along with the Annual Report 2022-23 as also the remote e-Voting user ID and password on the e-mail address registered by the Member. In case of any queries, Members may write to csg-unit@tcplindia.co.in or evoting@nsdl.co.in.

20. Members who have not claimed/received their dividend paid by the Company in respect of earlier years are requested to write to the Company's Registrar and Share Transfer Agent, TSR 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 as available on www.iepf.gov.in.

21. Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 01, 2020, and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ TSR Consultants Private Limited (in case of shares held in physical mode) and Depositories (in case of shares held in demat mode).

22. A Resident individual shareholder with PAN and who is not liable to pay income tax may submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source, by email to csg-exemptforms2324@tcplindia.co.in **by 06.00 P.M. (IST), June 22, 2023**. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial rates under the tax treaty between India and their country of residence, subject to providing necessary documents, i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to nriexemptforms@tataelxsi.com. The aforesaid declarations and documents need to be submitted by the shareholders by **06.00 P.M. (IST), June 22, 2023**. For detailed instructions and formats of the Forms and documents to be submitted, please visit www.tataelxsi.com/investors/corporate-announcements.

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

Shares held in physical form: Members are



Notice to the 34th Annual General Meeting (Contd.)

requested to send the following details/documents to the Registrar and Share Transfer Agent ('RTA'), viz. TSR Consultants Private Limited, (formerly TSR Darashaw Consultants Private Limited) at C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai - 400 083:

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

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

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

Further, please note that instructions, if any, already given by Members in respect of shares held in physical form, will not be automatically applicable to the dividend paid on shares held in electronic form. For Members who are unable to receive the dividend directly in their bank account through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the Warrant/Bankers' Cheque/Demand Draft through postal or courier services.

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

VOTING THROUGH ELECTRONIC MEANS

1. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015, the General Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is pleased to provide Members the facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting ('AGM') by electronic means (by using the electronic voting system provided by NSDL) either by:
 - (i) remote e-Voting prior to the AGM or
 - (ii) e-Voting during the AGM.
2. The remote e-Voting period (for e-Voting prior to the AGM) commences on **Friday, June 30, 2023, at 09:00 A.M. (IST) and ends on Monday, July 03, 2023, at 05:00 P.M. (IST)**. The remote e-Voting module shall be disabled by NSDL for voting thereafter. The Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of **Tuesday, June 27, 2023**, may cast their vote by remote e-Voting. The voting right of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being **Tuesday, June 27, 2023**. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently or cast a vote again.
3. The Board of Directors has appointed Mr. V Madan, Practicing Company Secretary (CP 21778) or failing him Mrs. Jayashree Parthasarathy, Practicing Company Secretary (CP 1988), who are not in the employment of the Company, as the Scrutinizer to scrutinize the voting at the AGM and remote e-Voting process in a fair and transparent manner.

Notice to the 34th Annual General Meeting (Contd.)

4. The facility for e-Voting shall also be made available during the AGM, and Members attending the AGM through VC / OAVM, who have not already cast their vote by remote e-Voting, may exercise their right to vote during the AGM through the NSDL portal.
5. The Members who have cast their vote by remote e-Voting prior to the AGM may also participate in the AGM through VC / OAVM but shall not be entitled to cast their vote through e-Voting again.
6. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date i.e. **Tuesday, June 27, 2023** may obtain the login ID and password by sending a request at evoting@nsdl.co.in.

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

STEP 1: ACCESSING THE NSDL E-VOTING SYSTEM:

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


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

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

| Type of shareholders | Login Method |
|--|---|
| Individual Shareholders holding securities in demat mode with NSDL. | <p>If the user is registered for NSDL IDeAS facility:</p> <ol style="list-style-type: none"> 1. Existing IDeAS user can visit the e-Services website of NSDL viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. 2. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. 3. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. 4. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. <p>If the user is not registered for NSDL IDeAS facility:</p> <p>If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> |



Notice to the 34th Annual General Meeting (Contd.)

| Type of shareholders | Login Method |
|--|---|
| | <p>Voting and participating directly through the NSDL portal:</p> <ol style="list-style-type: none"> 1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. 2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. 3. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. 4. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. 5. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 6. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <div data-bbox="775 981 1158 1207" style="text-align: center;">  </div> |
| <p>Individual Shareholders holding securities in demat mode with CDSL</p> | <p>If the user is registered for CDSL’s Easi / Easiest facility:</p> <ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. 2. The users are requested to visit CDSL website - www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. 3. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by Company. 4. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 5. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly. |

Notice to the 34th Annual General Meeting (Contd.)

| Type of shareholders | Login Method |
|---|--|
| | <p>If the user is not registered for CDSL’s Easi / Easiest facility:</p> <p>If the user is not registered for Easi/Easiest, option to register is available at CDSL website - www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.</p> <p>Voting directly through the CDSL portal:</p> <ol style="list-style-type: none"> 1. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from e-Voting link available on www.cdslindia.com home page. 2. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. 3. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers. |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | <ol style="list-style-type: none"> 1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. 2. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. 3. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

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

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

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

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.



Notice to the 34th Annual General Meeting (Contd.)

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

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

4. Your User ID details are given below:

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

5. Password details for shareholders other than Individual shareholders are given below:

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

6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
 - a. Click on **“Forgot User Details/Password?”** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b. **“Physical User Reset Password?”** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

Notice to the 34th Annual General Meeting (Contd.)

- d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. **For joining the virtual meeting, you need to click on “VC/OAVM” link placed under “Join Meeting”.**
3. Select “EVEN” of **Tata Elxsi Limited - 124062** (EVEN) for which you wish to cast your vote during the remote e-Voting period or casting your vote during the General Meeting.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

GENERAL GUIDELINES FOR MEMBERS

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

etc. who are authorised 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 i.e. **Tuesday, June 27, 2023**. 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 the Member is already registered with NSDL for remote e-Voting then the Member 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



Notice to the 34th Annual General Meeting (Contd.)

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.

- 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.

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

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

INSTRUCTIONS FOR MEMBERS ATTENDING THE AGM THROUGH VC / OAVM:

- Members will be able to attend the AGM through VC / OAVM or view the live webcast of the AGM provided by NSDL at <https://www.evoting.nsdl.com> by using their remote e-Voting login credentials and selecting the **EVEN - 124062** for Company's AGM.

Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice. Further, Members can

also use the OTP based login for logging into the e-Voting system of NSDL.

- Members are encouraged to join the Meeting through Laptops for better experience. Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- Members who need assistance before or during the AGM can contact NSDL at evoting@nsdl.co.in, 1800-222-990 or Ms. Sarita Mote at saritam@nsdl.co.in / + 91 22 24994890 or write to the Company at telagm@tataelxsi.com.
- Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address, mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at telagm@tataelxsi.com between **June 22, 2023, and June 24, 2023**. The facility to express views/ask questions during the AGM shall be restricted only to those Members who have pre-registered themselves as speakers. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

By the Order of the Board

Date: May 18, 2023

Place: Bangalore

Cauveri Sriram
Company Secretary

Registered Office:

ITPB Road, Whitefield,
Bengaluru - 560 048.

CIN: L85110KA1989PLC009968



Notice to the 34th Annual General Meeting (Contd.)

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

Item No. 3

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

| | | |
|---|---|------------------------------------|
| Name | N Ganapathy Subramaniam | |
| DIN | 07006215 | |
| Date of Birth (Age) | May 20, 1959 (63) | |
| Date of appointment on the Board (Initial) | November 01, 2014 | |
| Qualification | M.Sc (Mathematics) | |
| Brief resume | Please refer to the Corporate Governance Report Section of the Annual Report for details on the brief profile of Mr. N Ganapathy Subramaniam. | |
| Expertise in specific functional areas | IT Industry and General Management | |
| Terms and Conditions of re-appointment | Proposed to be re-appointed as Non-Executive Non-Independent Director, liable to retire by rotation. | |
| Shareholding in Tata Elxsi Limited | Nil | |
| Relationship with Directors / KMP of Tata Elxsi Limited | No inter-se relationship with Directors and KMP's of Tata Elxsi Limited. | |
| Attendance at Board Meetings during FY 2022-23 | Number of meetings held | Number of meetings attended |
| | 5 | 4 |
| Remuneration drawn for FY 2022-23 | ₹325,000 (Sitting fees paid for attending the Board and Committee Meetings) | |
| Details of remuneration sought to be paid | Mr. N Ganapathy Subramaniam shall be paid sitting fees for attending the Board and Committee meetings. | |
| Directorship, Committee Chairmanship / Membership in other public companies | <p>Directorship:</p> <ul style="list-style-type: none"> • Tata Consultancy Services Limited • Tata Communications Limited • Tejas Networks Limited <p>Committee Membership:</p> <p>Tata Consultancy Services Limited</p> <ul style="list-style-type: none"> • Member – Risk Management Committee • Member – CSR Committee <p>Tejas Networks Limited</p> <ul style="list-style-type: none"> • Member - Nomination and Remuneration Committee | |
| Details of listed companies from which the appointee has resigned during the last three financial years | Nil | |



Notice to the 34th Annual General Meeting (Contd.)

Item No. 4

Section 188 of the Companies Act, 2013 and the applicable Rules framed thereunder read with Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, provide that transactions with Related Parties where the aggregate value of transaction(s) amounts to 10% or more of the annual turnover of the Company as per last audited financial statements of the Company shall be considered material and will require prior approval of shareholders through ordinary resolution.

Accordingly, transaction(s) with Jaguar Land Rover Limited (“JLR”) comes within the purview of Related Party Transaction(s) in terms of provisions of the Act, applicable Rules framed thereunder read with the Listing Regulations.

The Board is of the opinion that the Resolution stated in the accompanying Notice is in the best interest of the Company and its Members and, hence, recommends the Resolution for approval by the Members of the Company.

Disclosure on approval of Material Related Party Transactions pursuant SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021 and Rule 15 of Companies (Meeting of Board and its Powers) Rules, 2014

| | |
|--|---|
| Summary of information provided by the Management to the Audit Committee on the proposed RPT with JLR | Please refer below for the summary of information provided by the Management to the Audit Committee on the proposed RPT with JLR. |
| Name of the related party | Jaguar Land Rover Limited, UK |
| Name of the director or key managerial personnel who is related, if any and nature of relationship | None of the Directors, Key Managerial Personnel (‘KMP’) or their respective relatives are, in any way, concerned or interested, financially or otherwise, except as shareholders in general in the said resolution. |
| Nature of relationship | Tata Sons Private Limited, the promoter of Tata Elxsi Limited (‘the Company’), holds equity shares of more than twenty percent in Tata Motors Limited, making Tata Motors Limited as a member of the Promoter Group of Tata Elxsi pursuant to Regulation 2(1)(pp) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as amended). Further, Tata Motors is also classified as an Associate Company of Tata Sons Private Limited. Jaguar Land Rover Limited, UK (‘JLR’) is a wholly owned subsidiary of Tata Motors Limited. Tata Motors exercises control over JLR by the virtue of its shareholding. Jaguar Land Rover Limited, UK is a related party to Tata Elxsi within the meaning of Section 2(76) of the Companies Act, 2013 (‘the Act’) read with Regulation 2(1)(zb) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’), considering its association with the promoter group member and related party, Tata Motors Limited. |

Notice to the 34th Annual General Meeting (Contd.)

| | |
|--|--|
| Nature, material terms, monetary value and particulars of contracts or arrangement | Tata Elxsi partners with JLR as the R & D Centre for their various new vehicle programmes and provides niche product design expertise and engineering services in the areas of mechanical, electronics and software development and complete vehicle programme management. The aggregate value of the transactions proposed to be entered into with JLR for FY 2023-24 is upto ₹600 crores, which is likely to exceed the limits given under Regulation 23 of SEBI Listing Regulations and Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014. The transactions under consideration, to be entered into by the Company with JLR for the above period is in the ordinary course of business and at arm’s length basis. |
| Value of the transaction | Upto ₹600 crores. |
| Justification for why the proposed transaction is in the interest of the listed entity | Please refer to the details provided in the Explanatory Statement annexed to the Notice. |
| Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary, the details of the same | Not Applicable |
| Details of reliance on valuation report or external report | Not Applicable |



Directors' Report to the Members

TO THE MEMBERS OF TATA ELXSI LIMITED

1. Your Directors are pleased to present the Thirty Fourth Annual Report on the business and operations of the Company along with the Audited standalone financial statements for the financial year ended March 31, 2023.

2. FINANCIAL SUMMARY

The highlights of financial performance on standalone basis, for the year ended March 31, 2023, are summarised hereunder:

| | ₹ In crores | |
|--|-----------------|-----------------|
| | FY 2022-23 | FY 2021-22 |
| Revenue from operations | 3,144.72 | 2,470.80 |
| Other income (Net) | 73.81 | 44.53 |
| Total Income | 3,218.53 | 2,515.33 |
| Profit before financial expenses, depreciation and tax | 1,035.09 | 810.25 |
| Less: Financial expenses | 16.2 | 9.43 |
| Depreciation/ Amortisation | 81.39 | 55.34 |
| Profit before tax | 937.50 | 745.49 |
| Tax expenses | 182.31 | 195.82 |
| Profit after tax for the year | 755.19 | 549.67 |
| Other Comprehensive income | (5.65) | (2.01) |
| Net Profit for the year | 749.54 | 547.66 |
| Add: Profit brought forward | 1,432.67 | 1,193.94 |
| Less: Dividend | 264.68 | 298.93 |
| Transfer to General Reserve | 10.00 | 10.00 |
| Balance Profit carried to Balance Sheet | 1,907.53 | 1,432.67 |

3. DIVIDEND

The Board of Directors are pleased to recommend a final dividend of 606% (₹60.60 per share), subject to tax, for the financial year ended March 31, 2023, on 6,22,76,440 equity shares of ₹10/- each fully paid-up, in comparison to 425% (₹42.50 per share) on 6,22,76,440 equity shares of ₹10/- each fully paid-up in the previous year.

The said dividend on equity shares is subject to the approval of the Members at the ensuing Annual General Meeting (“AGM”) scheduled to be held on Tuesday, July 04, 2023. If approved, this will involve an outflow of ₹377.4 crores, compared to ₹264.69 crores, in the previous year.

According to the Finance Act, 2020, dividend income will be taxable in the hands of the

Members w.e.f. April 01, 2020, and the Company is required to deduct tax at source from the dividend paid to the Members at prescribed rates as per the Income Tax Act, 1961.

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

4. TRANSFER TO RESERVES

Your Directors have approved a transfer of ₹10 crores to the General Reserves for the year ended March 31, 2023, as against an amount of ₹10 crores transferred in the previous year.



Directors' Report to the Members (Contd.)

5. REVIEW OF OPERATIONS AND PERFORMANCE

The total income during the year under review increased by 27.96% from ₹2,515.33 crores in the previous year to ₹3,218.53 crores. The Profit Before Tax (PBT) was ₹937.50 crores as against ₹745.48 crores in the previous year. The Profit After Tax (PAT) was ₹755.19 crores against ₹549.67 crores in the previous year.

6. SHARE CAPITAL

As on March 31, 2023, the authorised share capital of the Company consisted of 7,00,00,000 equity shares of ₹10 each, and the paid-up equity share capital as on March 31, 2023, consisted of 6,22,76,440 equity shares of ₹10 each. During FY 2022-23, the Company has not issued any shares, securities / instruments convertible into equity shares, sweat equity shares and shares with differential voting rights.

During FY 2022-23, the Company had sought approval of the Members through Postal Ballot Notice dated January 25, 2023 for the adoption and implementation of the **Tata Elxsi Limited Performance Stock Option Plan 2023** (hereinafter referred to as "PSOP 2023" or "the Plan") for grant of 3,11,000 Performance Stock Options to the eligible employees of the Company. The Members, vide special resolution passed through Postal Ballot on March 04, 2023, approved the adoption and implementation of PSOP 2023. PSOP 2023 seeks to drive long-term performance, retain key talent, and to provide an opportunity for the employees to participate in the growth of the Company.

The Plan has been formulated in accordance with the provisions of the Companies Act, 2013 ('the Act') and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SBEB&SE Regulations"). The Nomination and Remuneration Committee ("NRC") administers the Plan and functions as the Compensation Committee for the purposes of SBEB&SE Regulations.

In compliance with the requirements of the SBEB&SE Regulations, a certificate from Secretarial Auditors, confirming the implementation of the Plan in compliance with the SBEB&SE Regulations and shareholder's resolution, will be available for electronic inspection by the Members during the AGM of the Company. Members desirous of inspecting the certificate, may follow the procedure listed down in the Notes to the Notice of the Annual General Meeting. During the year under review, there have been no grants made by the Company to any of the eligible employees of the Company. The eligible employees shall be granted Performance Stock Options (PSOP), as determined by the Nomination and Remuneration Committee of the Board, which will vest as per the approved vesting schedule and are exercisable into fully paid-up equity shares of ₹10/- (Rupee Ten Only) each of the Company, on the terms and conditions as provided under the Plan, in accordance with the provisions of the applicable laws and regulations for the time being in force. During the year under review, no grants were made to eligible employees of the Company.

The statutory disclosures as mandated under the Act and SBEB&SE Regulation and a certificate from Secretarial Auditors, confirming implementation of the Scheme in accordance with SBEB&SE Regulations and shareholder's resolution have been hosted on the website of the Company at <https://tataelxsi.com/investors/policies-and-disclosures>.

7. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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



Directors' Report to the Members (Contd.)

Directors and Key Managerial Personnel

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

During the year, and under the approval granted by the Members at the 33rd Annual General Meeting of the Company, Mr. Manoj Raghavan was re-appointed as the Chief Executive Officer and Managing Director of the Company for a further period of five years with effect from October 02, 2022, up to October 01, 2027.

During the year under review, five (5) Board meetings were held. The details of the Board Meeting / Committee Meetings and the attendance of the Directors are provided in the Corporate Governance Section of the Annual Report. The calendar of meetings for FY 2022-23 had been circulated to all the directors detailing the schedule of Board and Committee meetings during FY 2022-23.

Pursuant to the provisions of Section 149 of the Act, the Independent Directors have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). The Directors have further confirmed that they are not debarred from holding the office of the director under any SEBI order or any other such authority. During FY 2022-23, there here has been no change in the circumstances affecting their status as Independent Directors of the Company. Pursuant to Clause VII (1) of Schedule IV of the Companies Act, 2013, a separate meeting of the Independent Directors was held on April 18, 2022.

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and

reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/ Committee of the Company.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2023 are Mr. Manoj Raghavan, Managing Director and CEO; Mr. Gaurav Bajaj, Chief Financial Officer and Ms. Cauveri Sriram, Company Secretary & Compliance Officer.

8. DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2022-23.

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

- a. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures.
- b. The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of our state of affairs at the end of the financial year and of our profit for that period.
- c. The Directors had taken proper and sufficient care, for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act 2013, for safeguarding the assets and for preventing and detecting fraud and other irregularities.

Directors' Report to the Members (Contd.)

- 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.

9. PARTICULARS ON REMUNERATION

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

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 | 27.32 |
| Mr. Sudhakar Rao | 26.16 |
| Prof. Anurag Kumar | 21.51 |
| Mr. Ankur Verma* | - |
| Executive Director | |
| Mr. Manoj Raghavan, MD & CEO | 65.00 |

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

^ Since the remuneration is only for part of the year, the ratio of their remuneration to median remuneration and percentage increase in remuneration is not comparable and hence, not stated

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

| Directors, Managing Director & CEO, Chief Financial Officer and Company Secretary | % increase in the remuneration of Directors/KMP in the Financial year |
|---|---|
| Mr. N G Subramaniam* | - |
| Mrs. S. Gopinath | 14% |
| Mr. Sudhakar Rao | 12% |
| Prof. Anurag Kumar | 14% |
| Mr. Ankur Verma* | - |



Directors' Report to the Members (Contd.)

| Directors, Managing Director & CEO, Chief Financial Officer and Company Secretary | % increase in the remuneration of Directors/KMP in the Financial year |
|---|---|
| Mr. Manoj Raghavan, MD & CEO | 30% |
| Mr. Gaurav Bajaj, CFO [^] | - |
| Ms. Cauveri Sriram, Company Secretary [^] | - |

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

[^] Since the remuneration is only for part of the year, the ratio of their remuneration to median remuneration and percentage increase in remuneration is not comparable and hence, not stated (ii) Percentage increase in the remuneration of the Directors and KMPs for the financial year.

(iii) The percentage increase/(decrease) in the median remuneration of employees in the financial year: (11.12%)

During the year, the Company onboarded significant number of freshers which resulted in decrease of overall median remuneration.

(iv) The number of permanent employees on the rolls of the Company: 11,254

(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 the managerial personnel in FY 2022-23 was 9.1%. The percentage increase/(decrease) in the managerial remuneration for the year was 20%

(vi) The Company hereby affirms that the remuneration is as per the Remuneration Policy of the Company, which was adopted by the Board and is also laid out in the Charter for the Nomination & Remuneration Committee (NRC). The Policy covers the matters related to remuneration to the Managing Director, Key Managerial Personnel and other officers. The Charter lays down the rights, roles and responsibilities of the NRC. A Policy on Board diversity and Governance Guidelines have also been adopted by the Board, on the recommendation of NRC. The Guidelines lay down the following:

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

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

Directors' Report to the Members (Contd.)

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

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

11. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

In terms of Regulation 34(2) (f) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ('Listing Regulations') the Business Responsibility and Sustainability Report, in the prescribed format, forms an Integral Part of the Annual Report.

12. RISK MANAGEMENT POLICY

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

13. CORPORATE SOCIAL RESPONSIBILITY

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

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

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

The Annual Report on the CSR initiatives undertaken by the Company as per the Companies (Corporate Social Responsibilities Policy) Rules, 2014 (as amended) is annexed as **Annexure B**. The details relating to the composition of the CSR Committee is provided in the Corporate Governance Report, forming part of the Annual Report.

14. DEPOSITS FROM PUBLIC

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

15. CORPORATE GOVERNANCE

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

16. RELATED PARTY TRANSACTIONS

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

In terms of Section 188 of the Act and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date and Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015



Directors' Report to the Members (Contd.)

("Listing Regulations"), the Company had sought the approval of Members at the 32nd AGM for transactions with Jaguar Land Rover Limited, a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for providing Automotive Design & Engineering support, up to a maximum aggregate value of ₹250 crores per year, for each of the financial years 2021-22 and 2022-23.

Further, the limits as approved in the 32nd AGM were revised vide approval granted by the Members through postal ballot on February 26, 2022, from ₹250 crores per annum for each of the financial years 2021-22 and 2022-23, to up to a maximum aggregate value of ₹325 crores per annum for the financial year 2021-22 and ₹450 crores per annum for the financial year 2022-23 for related party transactions with Jaguar Land Rover Limited.

The Company proposes to enter into material related party transactions with Jaguar Land Rover Limited during FY 2023-24, for which the approval of Members is sought at this Annual General Meeting, in compliance with Section 188 of the Companies Act, 2013 read with applicable rules made thereunder and Regulation 23(4) of the Listing Regulations.

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

As a part of the mandate under the Listing Regulations and the terms of reference, the Audit Committee undertakes quarterly review of related party transactions entered into by the Company with its related parties. Pursuant to Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013, the Audit Committee has granted omnibus approval in respect of transactions which are repetitive

in nature, which may or may not be foreseen, not exceeding the limits specified thereunder. The transactions under the purview of omnibus approval are reviewed on quarterly basis by the Audit Committee.

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

17. 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 along with the certificate of non-disqualification of Directors for the year ended March 31, 2023 is annexed to the Directors' Report as **Annexure D**.

18. EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return for FY 2022-23 is available on Company's website at <https://www.tataelxsi.com/investors/policies-and-disclosures>.

19. PREVENTION OF SEXUAL HARASSMENT

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

Directors' Report to the Members (Contd.)

complaints under the above Act. The Company has constituted an Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Three (3) complaints were received by the local Internal Complaints Committee during the year under review, the same has been redressed to the satisfaction of the complainant.

20. VIGIL MECHANISM

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

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

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.

21. OTHERS

There are no loans, guarantees and investments made by the Company under Section 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 2015-16 is due for remittance to Investors' Education & Protection Fund (IEPF) on

August 30, 2023 in terms of Section 125 of the Companies Act, 2013.

The Company has constituted an Audit Committee in compliance with Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. The Composition of the Audit Committee in terms of Section 177(8) is disclosed and is available in the Corporate Governance Report forming part of the Annual Report. During FY 2022-23, there are no such instances where the Board has not accepted the recommendations of the Audit Committee.

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

There are no frauds reported by the Auditors under Section 143(12) of the Companies Act, 2013.

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

22. AUDITORS

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

23. PERFORMANCE EVALUATION

The Company has laid down a process for performance evaluation of the Board and its Committees as well as a framework for evaluation of the performance of each of the Directors. The evaluation criteria include *inter alia*, structure of the Board, qualifications, experience and competency of Directors, diversity in Board, effectiveness of the Board process, information



Directors' Report to the Members (Contd.)

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. Upon the receipt of feedback from Directors, the Chairperson, NRC conducts a one to one meeting with the Members. Thereafter, the Chairperson, NRC briefs the Chairman of the Board on the outcome, which is subsequently discussed at the Board meeting.

For the FY 2022-23, the performance evaluation has been conducted as per the process adopted by the Company, which is detailed out above.

24. SECRETARIAL STANDARDS

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

25. 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, May 18, 2023

DECLARATION REGARDING COMPLIANCE WITH CODE OF CONDUCT

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

I hereby confirm that all the Board members and senior management personnel have affirmed compliance with the Code of Conduct applicable to them in respect of the year ended March 31, 2023.

Place: Bengaluru
Date: May 18, 2023

Manoj Raghavan
Managing Director



MANAGEMENT DISCUSSION AND ANALYSIS





GLOBAL ECONOMY OVERVIEW

We started 2022-23 with hopes of gradual economic recovery after the decline of pandemic. However, a number of issues such as global inflation, prevailing Ukraine-Russia war, sharp policy tightening in our major markets, financial institutions disappearing and its resulting side effects have all kept us busy managing risks. For emerging markets and developing economies like India, the growth rates have recovered post-pandemic. According to The International Monetary Fund (IMF), the fourth quarter growth for emerging markets and developing economies of 2022 was at 4.5% compared to 2.8% during the same quarter last year.

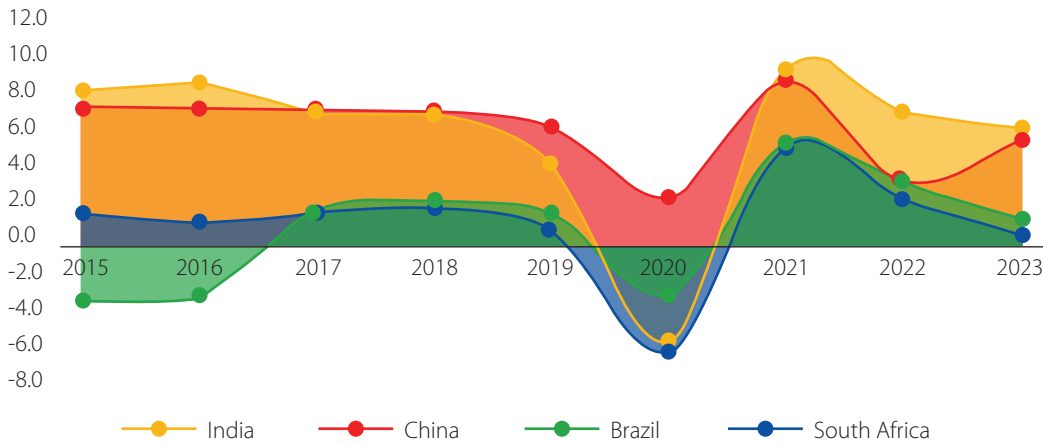
For 2023, economists believe that the downside risks dominate – with talks of mild recession being heard more frequently in investment circles in addition. The labour market is expected to remain tight especially for technology skills.

INDIAN ECONOMY OVERVIEW

While the global economic scenario might appear grim, the Indian economy continues to push forward steadily, growing at 6.8% in 2022, nearly double the 3.4% growth witnessed at a global level. Agencies worldwide have projected India as the fastest-growing major economy in the year 2022 and 2023.

Despite several challenges in the global environment, the Indian economy remained quite resilient, with the PMI-Manufacturing remaining in the expansionary zone for 18 months since July 2021. According to India Development Update from the World Bank, the Indian economy continues to show strong resilience to external shocks. Notwithstanding external pressures, India's service exports have continued to increase, and the current-account deficit is narrowing.

REAL GDP OF SELECT EMERGING ECONOMIES
(Annual Percentage Change)



As for the currency movement, the Indian Rupee witnessed its sharpest decline in nearly a decade. This is largely attributed to the Fed's aggressive monetary policies to combat inflation resulting in a strong dollar. This currency movement has been a net positive for export-oriented companies.

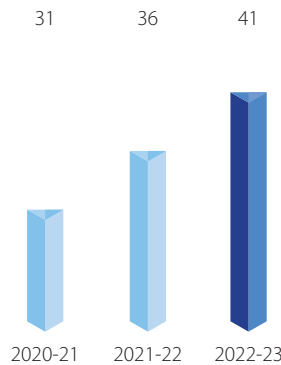
INDUSTRY OVERVIEW

Engineering Research and Development (ER&D)

Today, innovation continues to be the quintessence of new product development as more products and services become connected through digital technologies. With the rapid advent of digital transformation, the Engineering Research and Development (ER&D) industry continues to flourish as companies adapt to the digital trends sweeping the markets. In a connected and digitalised world, ER&D cycle is shifting from strictly design and deployment to encompassing

maintenance, regular updates, and constant data analytics. This has extended the product life cycle significantly, creating monetisation opportunities for product companies and expanding business opportunities for ER&D companies.

INDIAN ER&D REVENUE
US\$ B



Source: NASSCOM, 2023

India is rapidly growing to become one of the world's leading centres for ER&D, aided vastly by a large talent pool and relatively low costs. According to NASSCOM, revenue from ER&D in India is expected to be US\$ 41B in 2023, aided by a steady increase in digital ER&D spend. And in 2022-23, Automotive, Telecom and Medical Devices emerged as the top sectors in terms of deals. Tata Elxsi provides Design-Led ER&D services in these key verticals of Transportation, Media & Communications and Healthcare & Medical Devices.

Automotive

During the year 2022, the automotive market was significantly impacted by macro-economic and geopolitical uncertainty and supply chain disruptions. However, according to a report by International Energy Agency (IEA), electric car shipments continued to grow in 2022, with global electric car sales exceeding 10 Million. A variety of regulations and incentives by various local, state and



federal governments worldwide has been a key factor aiding EV adoption.

With the growing electrification of cars across countries worldwide, more and more car OEMs are expected to focus on in-vehicle experience and bring Software Defined Vehicles (SDVs) to the market. Some of the in-vehicle experience technologies expected to see strong traction are voice-enabled services, digital cockpits, digital assistants, biometrics for driver recognition and console customisation. These technologies support Over-the-Air (OTA) updates and open up customisation and monetisation opportunities for OEMs.

In the commercial vehicle segment, electric vehicles are gradually getting competitive with ICE (internal combustion engine) vehicles in terms of Total Cost of Ownership (TCO) and this is expected to speed up adoption of ADAS and associated technologies for platooning and other V2X related communication applications.

Tata Elxsi's expertise in Design-Led engineering puts it in a strong position to address market opportunities arising from SDVs and ADAS. Your Company's award-

winning Connected Vehicle Platform TETHER recently crossed the milestone of being onboarded on more than 500,000 vehicles for one of the leading auto OEMs.

Media and Telecommunications

After the spurt in streaming and online media market during the pandemic, year 2022 witnessed a decline in the number of subscribers and overall profitability of service providers. The subscription-based video-on-demand (SVOD) market and the online media streaming companies are now seeing some challenges in staying profitable, as on one hand, content has become expensive to acquire and produce, and on the other, streaming market is fragmented and unlocking revenue through advertising is not easy. As for the overall entertainment and media market, the year 2022 witnessed a fall in the growth rate.

On the communication side, according to Grand View Research, the global telecom services market was valued at US\$ 1,805 Billion in 2022 and is expected to expand to US\$ 2,874 Billion by 2030 at a compound annual growth rate (CAGR) of 6.2%. The advent of 5G and its increasing footprint across the globe is expected to drive growth in this market.

For companies in the Media and Communications industry, the relevance of sunrise technologies such as Over-the-top (OTT), AdTech and 5G cannot be denied, and they continuously look to the future to understand which areas are expected to carry them forward. The OTT market has been witnessing abundant interest in both developed and developing economies, but the tepid market environment does lead to delayed decision-making and deferred spending by corporations.

Tata Elxsi has a very strong foundation in the OTT industry due to our strong domain knowledge and deep understanding of customer needs. The Company provides services across the value chain, including an off-the-shelf OTT build for regional developers, Quality of Experience (QoE) optimisation for various leading OTT players and iCX for managing and monitoring customer premises equipment (CPE) like set-top boxes and gateways.

In the area of next-gen CPE engineering, Tata Elxsi has strong presence which is supported by its partnership with RDK. It also provides a wide gamut of service offerings in the area of network orchestration, SD/SD-WAN, AndroidTV.



Healthcare

Post-pandemic, global healthcare has displayed a pressing need to digitise, with digital healthcare and diagnostics emerging as key growth areas for the future. Digital healthcare helps market players and providers in cost control, quick expansion in new markets, derive technology and business benefits of connected-care use cases, and integrate new technologies into platforms to help with real-time diagnosis and consulting. With the advent of Artificial Intelligence (AI) and the prospect of its proliferation in the healthcare market, the possibilities to leverage data and image analysis using AI have increased manifold. Also, these technologies help address the demand gap for expert healthcare personnel. This has resulted in a blue-ocean scenario for digital healthcare and life sciences.

With a focus on being patient-centric, the entire value chain has reoriented towards ease of access, convenience, and responsiveness, and digital healthcare is expected to bridge the gap between the current scenario and the goal of real-time diagnosis and prescription. Technologies such as portable machines would allow for treatments such as dialysis. Predictive diagnostics and remote monitoring of medical conditions will become invaluable as they present an opportunity to improve the current status quo.

According to Grand View Research, the global digital health market size was valued at US\$ 211 Billion in 2022 and is projected to expand at a compound annual growth rate (CAGR) of 18.6% from 2023 to 2030. This reflects the market potential and opportunity for all market players and healthcare providers to leverage design, innovation and emerging technologies like AI to address

the growing demand for preventive diagnostics and healthcare across the globe.

In a recent development, the EU Commission has proposed to extend the deadline to comply with the Medical Devices Regulation (MDR). This would give enough time to all the manufacturers to comply with the regulation and spread MDR-related spend over a longer time frame.

Your Company had already begun investments in the digital healthcare field before COVID-19, and has created tools and technologies for remote diagnostics, connected-care platforms and analytics, and digital healthcare. Witnessing massive traction globally, Tata Elxsi has managed to stay at the forefront of innovation in the digital healthcare sector through products such as TEngage and TEDREG.

TEngage is the first-ever digital health platform for omnichannel care that offers a unified patient experience and remarkable ease of use to patients and healthcare providers. TEDREG is a global regulatory intelligence platform that monitors and captures real-time updates to global healthcare standards to allow companies to stay updated and ensure their products comply with global policy. Your Company is also working with leading medical device manufacturers to support them on MDR compliance. With established capabilities in AI and cybersecurity, your Company has all the capabilities and technical expertise to address the market opportunities arising in connected health and diagnostics.

BUSINESS ANALYSIS

Tata Elxsi continues to push the envelope in the industries of Transportation, Media & Communication and Healthcare by combining design-led engineering with domain expertise and digital technologies to create outstanding value propositions. The Company continues to grow its advanced technology portfolio related to digital healthcare, AI/ML, OTT, new media solutions, electric vehicles, AD/ADAS, SDV offerings and many more, and is therefore well poised to address evolving connectivity, healthcare and mobility needs of the world. The primary markets for Tata Elxsi remain developed economies of the US, mainland Europe, Japan and APAC.

Tata Elxsi has always believed in the strength of offshoring model of delivery. The inflow of demand has allowed us to hone our service offerings and focus on delivering maximum quality paired with cost competitiveness. Aided by its strong off-shore delivery model and employee-centric approach, your Company has successfully delivered on its customers' and investors' expectations even during times of uncertainty and supply constraints.

In recognition of its design-led engineering and innovation capabilities,



Tata Elxsi received the Innovative Company of the Year award at the 9th Annual Confederation of Indian Industry Industrial Innovation Awards 2022. The Confederation of Indian Industry (CII) created the prestigious CII Industrial Innovation Awards.

The Company reported operating revenues of Rs. 3,144.7 crores in 2022-23, an increase of 27.3% year on year (YoY). This growth was volume-led with constant currency growth of 24.9% YoY. Our operating profit (EBITDA) was Rs. 961.1 crores, up 25.5% YoY, with EBITDA margins of 30.6%. Profit before tax stood at Rs. 937.5 crores, up 25.8% YoY. The Company's net profit for the year was registered at Rs. 755.2 crores, up 37.4% YoY.

The onsite-offshore revenue mix also shifted this year, with the offshore share resting at 75.0%, marginally up from 74.5% last year. The continued high offshoring ratio indicates the strong offshoring capabilities of your Company. Customers fully trust Tata Elxsi's mature and proven offshore delivery processes and project management strengths.

During the year, the Company hired a net of 2,489 new employees, which was 23.6% more than the previous year's net addition of employees. Also, the employee attrition rate at Tata Elxsi has been one of the lowest in the industry. This was made possible because of your Company's employee centric policies and ability to provide meaningful work and create a culture of workplace pride and ownership of responsibility. Tata Elxsi also crossed a headcount of 11,000 personnel for the first time in the organisation's history.

The customer revenue concentration from our top 10 clients increased from 46.5% in 2021-22 to 48.1% in 2022-23. Our geographical revenue contribution

continues to remain diversified in line with our plan, with the US contributing 42.5%, Europe 34.4% and India 17.0% as against 42.2%, 33.4% and 15.9%, respectively, clocked in 2021-22.

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

SOFTWARE DEVELOPMENT AND SERVICES

Tata Elxsi's Software Development and Services division is the most significant business component, leading our growth

and creating value-add to stakeholders. It comprises 3 focus verticals: Transportation, Media, & Communications and Healthcare. During 2022-23, the Embedded Product Design division generated Rs. 2,734.7 crores in revenues, registering a growth of 26.9% YoY. The division's growth was primarily led by Transportation with Media and Healthcare growing at a slightly lower rate than the previous year.



Transportation

The Transportation vertical posted strong growth of 32.7% YoY, generating Rs. 1,177.0 crores revenue which comprises 37.4% of Tata Elxsi's overall operating revenue.

This growth results from our efforts to gain customer traction by being the leading provider of transformative technologies for connected, autonomous and electric cars, with solutions like the AUTONOMAI platform for driverless cars and Tata Elxsi's e-Cockpit. The Company also has a vast suite of EV solutions and expertise to provide OEM support for the design and development of inverters, electric motors, and battery management systems for EVs.

Apart from its offerings to the passenger vehicle suite, Tata Elxsi has created adjacencies in fields such as off-road, agriculture vehicles and rail industries for the purpose of diversification and addressable market expansion.

TETHER, Tata Elxsi's flagship Connected Vehicle Platform, is a cloud-based platform powered by AI/ML to allow for big-data analytics and off-the-shelf dashboards for insights. It enables our customers to offer the end customers a range of customer-centric and digitally enhanced features. With over 500,000 vehicles connected to TETHER, including personal vehicles, commercial vehicles and EVs, the potential to leverage this platform for other car and commercial vehicle OEMs is significant.

Tata Elxsi continues to build strategic connections with ecosystem players across the globe, including working with the Indian Institute of Technology, Guwahati (IIT-G) to jointly develop and commercialise state-of-the-art solutions for the Electric mobility market.

In recognition of its effort to bring innovative solutions to the market, Tata Elxsi and Green Hills Software were recognised by the Collaborative Partnership of the Year award at the Informa Tech Automotive Awards 2022. The collaborative solution is a Driver Monitoring System (DMS) platform that combines advanced AI-powered algorithms and AUTOSAR Adaptive from Tata Elxsi, integrated with the safe and secure INTEGRITY® real-time operating system from Green Hills Software.

As a result of our differentiated approach and domain expertise, Tata Elxsi was selected by a global tier-1 supplier for its next-generation e-powertrain development. This multi-year, multi-million US Dollar deal win underscores Tata Elxsi's differentiated expertise in EV architecture, systems and software development. In the adjacencies market, your Company was selected by a global leader in transportation systems for Train Design and Systems Engineering. A key deal-win in the rail industry, this demonstrates our capabilities in leveraging core strengths in transportation technologies. Our strong presence in the off-road vehicle space was underlined by a multi-million-dollar development programme from a leading US based off-road vehicle manufacturer for next generation platform for Vehicle Connectivity and Infotainment.



Media, Broadcast and Communications

The Media vertical posted strong growth of 18.2% YoY, generating Rs. 1,134.2 crores revenue which comprises 36.1% of Tata Elxsi's overall operating revenue.

The pandemic has changed the paradigm of the media world, vastly accelerating the spending on digital streaming and associated services. While the Media segment saw impressive growth in 2021-22, it has been muted towards the second half of 2022-23, largely due to industry-wide delay in decision-making on platform and large service deals.

In these moderated market growth situations, Tata Elxsi continued with its business growth leveraging its multiple award-winning solutions, including FalconEye (agentless test-automation multimedia platform), iCX (Updated device management standards and deep learning algorithms), QoEtient (cloud-based video DevOps platform as a packaged Automation-as-a-Service), AIVA (Intelligent Video Analytics platform for Content Curation and Object Action Event meta-tagging) and TEPlay (off-the-shelf OTT platform for regional service providers).

To address opportunities created by the growing availability of 5G networks and mobile edge computing platforms, Tata Elxsi partnered with mimik Technology to deliver 5G services for Industry 4.0, Automotive, and Media Distribution Solutions. The partnership aims to deliver innovation in cooperative optimisation of RAN Edge, and bring industry vertical solutions to market, that can enhance user experiences for enterprises and consumers and add value to TELCOs. It would also enable the co-creation of



solutions for Media, content distribution services, Industry 4.0 and Automotive Edge.

As a testimony to the culture of innovation and cutting-edge engineering that your Company specialises in, Tata Elxsi won the prestigious Tata Innovista Award for bringing the 'Future of Connected TV' to its customers. This solution provides key moment generation for sports and is integrated with dynamic brand insertion technology. This AI and machine learning (ML) enabled key moment generation technology identifies and generates highlights in chronological order of events.

As a result of our differentiated approach and domain expertise, Tata Elxsi was

selected by one of the world's leading AdTech companies to support the development of a next-gen digital content monetisation platform for addressable advertising across ad formats and devices. Tata Elxsi also won a strategic deal win from a leading operator in EMEA for Connected Device Diagnostics based on the operations automation platform iCX. This will be delivered in a SaaS model, with extended managed services from the SIS division for platform support. This deal demonstrates the underlying synergy between the two business divisions. In the area of network operations, Tata Elxsi was awarded a large multi-year deal for smart network operations transformation by a leading North American MSO.



Healthcare

The Healthcare vertical posted strong growth of 37.6% YoY, generating Rs. 423.5 crores revenue which comprises 13.5% of Tata Elxsi's overall operating revenue.

With COVID-19 bringing the need for a digital healthcare ecosystem to the forefront, companies find it imperative to digitise their systems, resulting in the opening of new opportunities to enter the field of digital diagnostics

and connected healthcare. However, these opportunities must be managed within the ambit of various healthcare regulations, data confidentiality and security.

Tata Elxsi continues to build business traction on its multiple award-winning solutions, including TEngage (the first-ever digital health platform for omnichannel care that offers a unified patient experience), TEDREG (global regulatory intelligence platform that

monitors and captures real-time updates to global healthcare standards to allow companies to stay updated and ensure their products are compliant with global policy), Digital Health Platform (digital front door to all telehealth services) and TEcare (configurable platform for digital therapeutic solutions).

Tata Elxsi is one of the very few companies which has that unique combination of design and digital, expertise in AI and ML, strong capabilities in cybersecurity and vast experience in designing sophisticated and connected devices. This makes Tata Elxsi a leading partner of choice for new product development deals for the healthcare vertical.

Tata Elxsi's capabilities to apply emerging digital technologies to improve healthcare services, is best illustrated through the Design-Digital deal it won, for the development of an Augmented Reality (AR) based solution from a leading global medical devices company. This leverages Tata Elxsi's capabilities in combining Extended and Mixed Reality technology, design and content to aid patient outcomes.

SYSTEMS INTEGRATION AND SUPPORT (SIS)

Tata Elxsi's system integration and support services is an important component to our end-to-end product life cycle services – right from conceptualisation to maintenance services. Key customers of our System Integration and Support division are from manufacturing, aerospace, government, education, automotive, and information technology verticals.

Our win from an industrial company for building a safety training centre using advanced AR/VR modules along the lines



of Phygital training and course modules is an illustrative example of the synergistic nature of this division with the design and software development capabilities of the Software Development and Services division. This helped our customer offer re-imagined course content and structure to ensure impactful learning with multi-lingual support and visual-rich content. These training programmes were for workforce with diverse literacy levels. With help of Tata Elxsi's designed training centre, the induction time was reduced from 1.5 days to 2.5 hours with up to 80% overall improvement in knowledge retention.

Revenue generated through System Integration stood at Rs. 83.5 crores, reporting growth of 54.9% from 2021-22. The high growth of the SIS business in 2022-23 was largely due to the internal realignment to build the foundation of run services, including tools, infrastructure, and operation support, along with support for the platforms that we have built and licensed and the pivot of capabilities to run engineering operations and managed services. This growth derives almost entirely from Indian geography.

INDUSTRIAL DESIGN AND VISUALISATION (IDV)

The Industrial Design and Visualisation division has been a key component of our DNA, allowing us to conceptualise design-focused solutions to real-world problems. It allows us to work with new customers and on products at the far edge of innovation. This also builds the foundation for larger downstream development projects.

Our NPD engagements usually start with primary research to understand market psychology, which can then translate product specifications which fit the market needs. IDV brings the Design aspect to our core Design-Digital strength, which is leveraged by all verticals of our business.

Over the last few years, IDV has begun orienting itself with the synergies of the embedded product design (EPD) business, well complemented by our System Integration division – thus bringing to our customers, end-to-end offerings across the entire product lifecycle.

Our collaboration with Lenovo to provide end-to-end solutions and

services for customers using Lenovo's smart XR devices to deliver immersive Digital Transformation solutions is an important step in that direction. These solutions span Engineering Design & Modelling, Maintenance & Repair, Remote Collaboration and Worker Safety & Training, and help to save cost, improve efficiency and enhance next-level productivity.

Revenue generated through Industrial Design and Visualisation stood at Rs. 326.6 crores, reporting growth of 24.4% from 2021-22. This was largely fuelled by an internal restructuring to scale up the business over the past few months.



Business Responsibility & Sustainability Report

Section A: General Disclosure

I. Details of the Listed Entity

| | |
|--|---|
| 1. > Corporate Identity Number (CIN) of the listed entity: | L85110KA1989PLC009968 |
| 2. > Name of the listed entity: | Tata Elxsi Limited |
| 3. > Year of incorporation: | 1989 |
| 4. > Registered office address: | ITPB Road, Whitefield, Bengaluru 560048, India |
| 5. > Corporate address: | ITPB Road, Whitefield, Bengaluru 560048, India |
| 6. > E-mail: | investors@tataelxsi.com |
| 7. > Telephone: | 080 2297 9123 |
| 8. > Website: | www.tataelxsi.com |
| 9. > Financial year for which reporting is being done: | April 1, 2022, to March 31, 2023 |
| 10. > Name of the Stock Exchange(s) where shares are listed: | BSE Limited National Stock Exchange of India Limited |
| 11. > Paid-up capital: | ₹ 6,227.64 lakhs comprising of 622.76 lakh equity shares of ₹ 10/- each |
| 12. > Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report: | Name: Dr. Sajiv Madhavan Designation: Chief Risk and Sustainability officer Telephone No: 080 2297 9302 Fax: 080 2841 1474 E-mail ID: investors@tataelxsi.com |
| 13. > Reporting boundaries are the disclosures under this Report made on a standalone basis (i.e., only for the Company) or on a consolidated basis (i.e., for the Company and all the entities which form a part of its consolidated financial statements, taken together): | The disclosures under this report are made on a standalone basis |



II. Products/Services

14. DETAILS OF BUSINESS ACTIVITIES (Accounting for 90% of the Turnover):

Tata Elxsi provides design and technology services across industries, including Transportation, Healthcare, Media & Communication. The Company's services are broadly categorised into 'Software Development & Services' and 'Systems Integration & Support'.

| Sr. No. | Description of main activity | Description of business activity | % of turnover of the entity |
|---------|-----------------------------------|--|-----------------------------|
| 1. | Software Development and Services | Software Design, Development and Testing | 87% |
| 2. | Systems Integration and Support | Systems Integration and Design Services | 13% |

15. PRODUCTS/SERVICES SOLD BY THE ENTITY (Accounting for 90% of the Entity's Turnover):

| Sr. No. | Description of main activity | NIC Code | % of total turnover contributed |
|---------|-----------------------------------|----------|---------------------------------|
| 1. | Software Development and Services | 62013 | 87% |
| 2. | Systems Integration and Support | 62020 | 13% |

III. Operations

16. NUMBER OF LOCATIONS WHERE PLANTS AND/OR OPERATIONS/OFFICES OF THE ENTITY ARE SITUATED:

| Location | Offices |
|---------------|-----------|
| National | 16 |
| International | 15 |

17. MARKETS SERVED BY THE ENTITY:

The primary markets for Tata Elxsi are Americas, Europe, Japan, and APAC.

a. Number of locations

| Location | Number |
|----------------------------------|--------------------------|
| National (no. of states) | 5 States and 1 UT |
| International (no. of countries) | 16 |

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

Export revenue constitute more than 80% of the total revenue.



c. A brief on types of customer

The Company's customers are from industries like Transportation, Healthcare, Media & Communication across the globe. This includes OEM's and service providers, Tier 1 and Tier 2 suppliers.



IV. Employees

18. DETAILS AS AT THE END OF FINANCIAL YEAR:

a. Employees and workers (including differently abled):

| No. | | Particulars | Total (A) | Male | | Female | |
|-----|---|--------------------------|-----------|---------|---------|---------|---------|
| | | | | No. (B) | % (B/A) | No. (C) | % (C/A) |
| 1. |  EMPLOYEES | Permanent (D) | 11,254 | 7,151 | 64% | 4,103 | 36% |
| 2. | | Other than permanent (E) | 610 | 458 | 75% | 152 | 25% |
| 3. | | Total employees (D + E) | 11,864 | 7,609 | 64% | 4,255 | 36% |
| 4. |  WORKERS | Permanent (F) | 385 | 294 | 76% | 91 | 24% |
| 5. | | Other than permanent (G) | NA | NA | NA | NA | NA |
| 6. | | Total workers (F + G) | 385 | 294 | 76% | 91 | 24% |

b. Differently abled employees and workers:

| Sr. No. | | Particulars | Total (A) | Male | | Female | |
|---------|--|---|-----------|---------|---------|---------|---------|
| | | | | No. (B) | % (B/A) | No. (C) | % (C/A) |
| 1. |  DIFFERENTLY ABLED EMPLOYEES | Permanent (D) | 8 | 6 | 75% | 2 | 25% |
| 2. | | Other than permanent (E) | - | - | - | - | - |
| 3. | | Total differently abled employees (D + E) | 8 | 6 | 75% | 2 | 25% |
| 4. |  DIFFERENTLY ABLED WORKERS | Permanent (F) | - | - | - | - | - |
| 5. | | Other than permanent (G) | - | - | - | - | - |
| 6. | | Total differently abled workers (F + G) | - | - | - | - | - |

At present, Tata Elxsi Limited does not have any workers with disabilities. However, the Company maintains a non-discriminatory approach towards them and applies the same policies to all employees and workers, including during the recruitment process.

19. PARTICIPATION/INCLUSION/REPRESENTATION OF WOMEN

| | Total (A) | No. of percentage of females | |
|--------------------------|-----------|------------------------------|---------|
| | | No. (B) | % (B/A) |
| Board of Directors | 6 | 1 | 16.66% |
| Key Managerial Personnel | 3 | 1 | 33.34% |



20. TURNOVER RATE FOR PERMANENT EMPLOYEES AND WORKERS

| | 2022-23 (Turnover rate in current FY) | | | 2021-22 (Turnover rate in previous FY) | | | 2020-21 (Turnover rate in the year prior to the previous FY) | | |
|----------------------------|--|--------|-------|---|--------|-------|---|--------|-------|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| PERMANENT EMPLOYEES | 17.5% | 17.1% | 17.3% | 21.5% | 19.6% | 20.8% | 6.5% | 6.7% | 6.6% |
| PERMANENT WORKERS | - | - | - | - | - | - | - | - | - |

V. Holding, Subsidiary and Associate Entities (including Joint Ventures)

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

| S. No. | Name of the holding/ subsidiary/ associate companies/ joint ventures (A) | Indicate whether holding/ subsidiary/ associate/ joint venture | % of shares held by listed entity | Does the entity indicated at column A, participate in the business responsibility initiatives of the listed entity? (Yes/No) |
|--------|--|--|-----------------------------------|--|
| 1. | Tata Sons Private Limited | Holding | 42.22% | Yes |

VI. CSR DETAILS

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

Data as on March 31, 2022

₹ 2,47,079.92 lakhs

Turnover

₹ 1,60,090.29 lakhs

Net Worth

VII. Transparency and Disclosures Compliances

23. COMPLAINTS/GRIEVANCES ON ANY OF THE PRINCIPLES (PRINCIPLES 1 TO 9) UNDER THE NATIONAL GUIDELINES ON RESPONSIBLE BUSINESS CONDUCT:

| Stakeholder group from whom complaint is received | Grievance redressal mechanism in place (Yes/No) | 2022-23 (Current financial year) | | | 2021-22 (Previous financial year) | | |
|---|--|--|--|---------|--|--|---------|
| | (If yes, then provide the weblink for the grievance redress policy) [#] | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| COMMUNITIES | Yes | - | - | - | - | - | - |
| INVESTORS (other than shareholders) | Yes | - | - | - | - | - | - |
| SHAREHOLDERS | Yes* | 63 | 3 | - | 37 | - | - |
| EMPLOYEES AND WORKERS | Yes** | 3 | - | - | 3 | - | - |
| CUSTOMERS | Yes [®] | - | - | - | - | - | - |
| VALUE CHAIN PARTNERS | Yes ¹ | - | - | - | - | - | - |
| OTHER (please specify) | - | - | - | - | - | - | - |

[#] The policies guiding the Company's conduct, including the grievance redressal mechanism, are available on the Company's website at <https://www.tataelxsi.com/investors/policies-and-disclosures>

^{*} The Company provides a mechanism to address grievances of its shareholders. TSR Consultants Private Limited has been appointed as the Share Transfer Registrars/Agents and is responsible for addressing shareholders' inquiries, requests, and complaints. The Share Transfer Registrars/Agents operate within the guidelines established by SEBI and respond to such grievances through a designated email address.

^{**} The Company's Whistle Blower Policy is available to all employees and workers. The Company offers various communication channels, including an email address, and written complaints, to address any grievances through the Whistle Blower mechanism.

[®] Customers have multiple communication channels to address their grievances, including project reviews, periodic meetings at various levels and portal to raise issues/complaints

¹ Value chain partners can avail the grievance redressal mechanism through various channels, including an email address, a shared service helpdesk, and the Global Whistle Blower Policy



24. OVERVIEW OF THE ENTITY'S MATERIAL RESPONSIBLE BUSINESS CONDUCT ISSUES

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

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (indicate positive or negative implications) |
|--------|---|--|--|---|--|
| 1 | EMPLOYEE WELL-BEING, HEALTH AND SAFETY | Risk | The Company's people are paramount to it, and its vision includes 'to be a preferred employer of choice,' towards which health and well-being is essential. | Awareness and training programmes, 24*7 support for physical and psychological issues, doctor in campus and mandatory medical checkups. | Negative |
| 2 | TALENT MANAGEMENT | Risk | The Company's ER&D requires constant upgradation of high-end skills and research capabilities. | Enhanced investment in L&D tools, system and content towards capability development. | Negative |
| | | Opportunity | Enhances the Company's ability to work with cutting-edge technology and achieve its mission of being the preferred partner for its customers. | - | Positive |
| 3 | DATA PRIVACY AND SECURITY | Risk | It is important to safeguard the enterprise data and also to fulfil the contractual responsibility to customers. The increasing landscape of data privacy laws across the globe also possess a risk of penalties on non-compliances and reputational loss. | Enhanced cyber security measures like robust processes, policies, awareness and sensitisation programmes. | Negative |
| | | Opportunity | As devices become smart and connected, they also become vulnerable to attacks. This presents a good opportunity to secure equipment and create a safe environment for our operations. | Developing capability and demonstrator to address potential commercial opportunity. | Positive |
| 4 | CORPORATE GOVERNANCE AND CONDUCT | Risk | Corporate governance is critical for the success of Tata Elxsi and any risks can result in reputation loss and damage to stakeholder trust and business disruption. | Periodical internal reviews, audit and presentations on changes introduced by regulators. | Negative |

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (indicate positive or negative implications) |
|--------|---------------------------------|--|---|---|--|
| 5 | CLIMATE CHANGE | Risk | Climate change is a threat to the Company's infrastructure that may disrupt operations and potentially impact the safety and well-being of employees. Also, as Tata Elxsi delivers to customers across various geographies, the Company expects global compliance on climate change to impact its customer's strategy. Thus resulting in disruptions in their operations causing an impact on the Company's revenues. | Business continuity policy and emergency response plans are in place. | Negative |
| 6 | SUPPLY CHAIN SUSTAINABILITY | Risk | The Company's emphasis on sustainable supplier may impact cost, time and availability. | Planning and supporting existing suppliers to embrace sustainability. | Negative |
| | | Opportunity | The Company emphasis on sustainability for furthering ESG compliance. | - | Positive |
| 7 | DIVERSITY, EQUITY AND INCLUSION | Opportunity | In line with the Company's Code of Conduct and stakeholder expectations. | - | Positive |
| 8 | CSR | Opportunity | As a part of the Company's commitment to society, comprehensive interventions are undertaken in education, healthcare, and the environment. | - | Positive |
| 9 | PRODUCT AND SERVICE STEWARDSHIP | Opportunity | To contribute towards a sustainable ecosystem. | - | Positive |
| 10 | WASTE | Risk | Aligning with the principle of reducing resource use. | Reduction of waste by awareness and responsible disposal leading to recycling. | Negative |
| 11 | WATER | Risk | Supporting UN SDG goals of better water management. | Water treatment facilities are established to ensure water treatment, recycling and recharge. | Negative |
| 12 | BIODIVERSITY | Risk | Objective of contributing to the preservation of the environment. | Afforestation and reinstating biodiversity. | Negative |

For more details please refer to Identifying Material Priorities to Design Strategies section of the Integrated Report



Section B: Management and Process Disclosures

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

| Disclosure Questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 | |
|---|---|-----|-----|-----|-----|-----|-----|-----|-----|--|
| Policy and management processes | | | | | | | | | | |
| 1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No) | Y | Y | Y | Y | Y | Y | Y | Y | Y | |
| b. Has the policy been approved by the Board? (Yes/No) | Y | Y | Y | Y | Y | Y | Y | Y | Y | |
| c. Web Link of the Policies, if available | Y | Y | Y | Y | Y | Y | Y | Y | Y | |
| <p>P1 to P9: Tata Code of Conduct (TCoC)</p> <p>P1: Whistle Blower Policy</p> <p>P2: Sustainable Supply Chain Policy</p> <p>P3 and P5: Employee-related Policies</p> <p>P4 and P8: CSR Policy</p> <p>P6: HSE Policy and ESG Policy</p> <p>https://www.tataelxsi.com/investors/policies-and-disclosures</p> | | | | | | | | | | |
| 2. Whether the entity has translated the policy into procedures? (Yes/No) | Y | Y | Y | Y | Y | Y | Y | Y | Y | |
| 3. Do the enlisted policies extend to your Value Chain Partners? (Yes/No) | Y | Y | Y | Y | Y | Y | Y | Y | Y | |
| 4. Name of the national and international codes/certifications/ labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. | ISO 9001: 2015 – For Quality Management System ISO 27001: 2013 – For Information Security Management System ISO 45001: 2018 – For Occupational Health and Safety Management System ISO 14001: 2015 – For Environmental Management System ISO 13485: 2016 – For Medical Device Certification CMMi V2.0 Level 3 – For Digital applications for Medical Domain Auto SPICE – For Automotive Projects TISAX – Information Security Certification for German Automotive Projects | | | | | | | | | |
| 5. Specific commitments, goals and targets set by the entity with defined timelines, if any. | N | N | N | N | N | Y* | N | N | N | |
| 6. Performance of the entity against the specific commitments, goals and targets along with reasons in case the same are not met. | NA | NA | NA | NA | NA | Y** | NA | NA | NA | |
| <p>*50% Reduction in absolute Scope 1 + Scope 2 emissions by 2025 (vs the base year 2021), Carbon Neutral by 2030</p> <p>**62% Reduction in carbon emissions (intensity) in the last 2 years and renewable energy use at 38.5%</p> | | | | | | | | | | |

| Disclosure Questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|---|--------|--------|--------|--------|--------|--------|--------|--------|
| Governance, leadership and oversight | | | | | | | | | |
| <p>7. Statement by the Director responsible for the business responsibility report, highlighting ESG-related challenges, targets and achievements (listed entity has a flexibility regarding the placement of this disclosure)</p> <p>Tata Elxsi has integrated sustainability into all aspects of business. Company's sustainability framework aims to reduce carbon footprint, conduct responsible business practices that benefit society and transparent governance practices.</p> <p>The Company aims to reduce its carbon emission by 50% by 2025 and become carbon neutral by 2030. To achieve these targets following initiatives have been taken by Tata Elxsi:</p> <ul style="list-style-type: none"> • Increasing the use of renewable energy by implementing rooftop solar power plant and procurement of green power • Use of energy-efficient infrastructure <p>We are working on our material issues (Materiality), identifying KPI's, goals and monitoring performance. We are also constantly refining our reporting mechanisms in order to achieve greater collaboration and contribution.</p> | | | | | | | | | |
| <p>8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).</p> | <p>Name: Manoj Raghavan Designation: CEO & Managing Director DIN: 08458315</p> | | | | | | | | |
| <p>9. Does the entity have a specified Committee of the Board/ Director responsible for decision-making on sustainability related issues? (Yes/No). If yes, provide details.</p> | <p>Yes, the Stakeholders' Relationship Committee constituted by the Board.</p> | | | | | | | | |

10. Details of Review of NGRBCs by the Company:

| Subject for Review | Indicate whether review was undertaken by Director/ Committee of the Board/ any other Committee | | | | | | | | | Frequency (annually/ half-yearly/ quarterly/ any other – please specify) | | | | | | | | |
|--|--|--------|--------|--------|--------|--------|--------|--------|--------|--|--------|--------|--------|--------|--------|--------|--------|--------|
| | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
| Performance against above policies and follow up action | Y | Y | Y | Y | Y | Y | Y | Y | Y | Q | H | Q | Q | Q | H | H | Q | Q |
| Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances | Statutory Compliance Certificate on applicable laws is placed before the Board of Directors every quarter. | | | | | | | | | | | | | | | | | |

Tata Elxsi's Integrated Quality Management System integrates the TE-chosen industries' requirements, best practices, frameworks, and standards. This includes ISO 9001:2015, ISO 27001:2013, TISAX; Health Safety and Environment Standards ISO 14001, ISO 45001, as well as industry domain specific standards such as Automotive SPICE level 5 and ISO 13485 (Medical Devices). The Company complies with international laws, principles, and norms, including those in the Universal Declaration of Human Rights, ILO Declaration on Fundamental Principles and Rights at Work, and United Nations Guiding Principles on Business and Human Rights.



| | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 11. Has the entity carried out an independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency. | Y | Y | Y | Y | Y | Y | Y | Y | Y |

Tata Elxsi is certified ISO 14001:2015 and ISO 45001:2018.

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

| Questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| The entity does not consider the Principles material to its business (Yes/No) | NA | | | | | | | | |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) | | | | | | | | | |
| The entity does not have the financial or/human and technical resources available for the task (Yes/No) | | | | | | | | | |
| It is planned to be done in the next financial year (Yes/No) | | | | | | | | | |
| Any other reason (please specify) | | | | | | | | | |

Section C: Principle-Wise Performance Disclosure

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

PRINCIPLE 1:

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

PRINCIPLE 2:

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

PRINCIPLE 3:

Business should respect promote the well-being of all employees.

PRINCIPLE 4:

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

PRINCIPLE 5:

Business should respect and promote human rights.

PRINCIPLE 6:

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

PRINCIPLE 7:

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

PRINCIPLE 8:

Business should promote inclusive growth and equitable development.

PRINCIPLE 9:

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



PRINCIPLE 1

Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent and accountable.

Tata Elxsi is a global design and technology services company offering innovative solutions in product engineering, design and visualisation and artificial intelligence. The Company has established its code of conduct that encompasses employees, customers, shareholders, suppliers, partner and have the necessary systems to monitor and improve.

Essential indicators

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

| Segment | Total number of training and awareness programmes held | Topics/principles covered under the training and its impact | % of persons in respective category covered by the awareness programmes |
|-----------------------------------|--|--|---|
| BOARD OF DIRECTORS | 100% | Business Responsibility and Sustainability. | 100 |
| KEY MANAGERIAL PERSONNEL (KMP) | 100% | The KMP participated in sessions on the Tata Code of Conduct, business ethics, risk, strategy, ESG matters, workplace conduct, and law and compliance. These topics are covered in salient detail on the principles. | 100 |
| EMPLOYEES OTHER THAN BOD AND KMPs | 7,345 | P1, P3, P5, P6, P8, P9 | 100 |
| WORKERS | | | |

2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity’s website):

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

| Non-monetary | | | |
|-----------------|---|-------------------|------------------------------|
| NGRBC Principle | Name of the regulatory/enforcement agencies/judicial institutions | Brief of the case | Has an appeal been preferred |
| Imprisonment | NIL | NA | |
| Punishment | | | |

Tata Elxsi has no instance of fines/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions in the financial year.





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

| Case details | Name of the regulatory, judicial institutions |
|--------------|---|
| | NA |

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

Yes, the Company has formulated anti-bribery policy to ensure that appropriate and adequate procedures are in place to prevent the Company's involvement in any activity involving bribery, facilitation payments, or corruption, even where the involvement may be unintentional. The policy is available at <https://www.tataelxsi.com/investors/policies-and-disclosures>.

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

| | 2022-23 (Current financial year) | 2021-22 (Previous financial year) |
|---|-------------------------------------|--------------------------------------|
|  DIRECTORS | NIL | NIL |
|  KMPs | NIL | NIL |
|  EMPLOYEES | NIL | NIL |
|  WORKERS | NIL | NIL |

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

| | 2022-23 (Current financial year) | | 2021-22 (Previous financial year) | |
|--|-------------------------------------|---------|--------------------------------------|---------|
| | Number | Remarks | Number | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | NIL | NA | NIL | NA |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs | NIL | NA | NIL | NA |

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



PRINCIPLE 2

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

Tata Elxsi has established its sustainability policies with an aim of improving its ESG performance. The Company has in place quality, information security, environmental and health and safety management systems.

Essential indicators

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

| | 2022-23 (Current financial year) | 2021-22 (Previous financial year) | Details of improvements in environmental and social impacts |
|----------------|-------------------------------------|--------------------------------------|---|
| <p>R&D</p> | 1.65% | 1.45% | The intent is to continue investing in technology IP development, especially in automotive, broadcast and healthcare domains. |
| <p>CAPEX</p> | NA | NIL | NA |

- Does the entity have procedures in place for sustainable sourcing? (Yes/No): Yes
 - If yes, what percentage of inputs were sourced sustainably?

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

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

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

Tata Elxsi is an engineering research and development organisation serving design and development services to

its global customer segments and does not manufacture any products. The Company has defined processes for reuse, recycling and safe end-of-life disposal for the products used in its operations.

The Company's e-waste recycling process takes care of obsolete computers, monitors, computer accessories and other electronic office equipment. It has employed specialised agencies to carry out the e-waste disposal. The Company encourages reduced use of paper. Hazardous waste like UPS batteries is responsibly given to licensed agencies for recycling.

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

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

Tata Elxsi recognises that its employee's well-being is critical to its vision and values. The Company has also developed systems to enable labour and human rights in its value chain.

Essential indicators

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

| Category | % of employees covered by | | | | | | | | | | |
|---------------------------------------|--|------------------|-------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|---------------------|-----------|
| | Total (A) | Health insurance | | Accident insurance | | Maternity benefits | | Paternity benefits | | Day care facilities | |
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D/A) | Number (E) | % (E/A) | Number (F) | % (F/A) |
| Permanent employees | | | | | | | | | | | |
| Male | 7,151 | 7,151 | 100% | 7,151 | 100% | NA | NA | 7,151 | 100% | NA | NA |
| Female | 4,103 | 4,103 | 100% | 4,103 | 100% | 4,103 | 100% | NA | NA | NA | NA |
| Total | 11,254 | 11,254 | 100% | 11,254 | 100% | 4,103 | 100% | 7,151 | 100% | NA | NA |
| Other than permanent employees | | | | | | | | | | | |
| Male | All benefits extended to the contract workforce (workers) are in line with statutory provisions. As a principal employer Tata Elxsi is committed to ensuring compliance. | | | | | | | | | | |
| Female | | | | | | | | | | | |
| Total | | | | | | | | | | | |

There are no daycare facilities on the premises. Tata Elxsi has location-wise tie-ups with third-party-run daycare centers which employees avail.

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

| Category | % of workers covered by | | | | | | | | | | |
|---------------------------------------|-------------------------|------------------|-------------|--------------------|-------------|--------------------|-----------|--------------------|-----------|---------------------|-----------|
| | Total (A) | Health insurance | | Accident insurance | | Maternity benefits | | Paternity benefits | | Day care facilities | |
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D/A) | Number (E) | % (E/A) | Number (F) | % (F/A) |
| Permanent employees | | | | | | | | | | | |
| Male | 294 | 294 | 100% | 294 | 100% | NA | NA | NA | NA | NA | NA |
| Female | 91 | 91 | 100% | 91 | 100% | NA | NA | NA | NA | NA | NA |
| Total | 385 | 385 | 100% | 385 | 100% | NA | NA | NA | NA | NA | NA |
| Other than permanent employees | | | | | | | | | | | |
| Male | NA | | | | | | | | | | |
| Female | | | | | | | | | | | |
| Total | | | | | | | | | | | |

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



2. Details of retirement benefits for the Current FY and Previous FY

| Benefits | 2022-23 (Current financial year) | | | 2021-22 (Previous financial year) | | |
|----------|--|--|--|--|--|--|
| | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) |
| PF | 100% | 100% | Yes | 100% | 100% | Yes |
| Gratuity | 100% | 100% | Yes | 100% | 100% | Yes |
| ESI | - | 100% | Yes | - | 100% | Yes |
| Others | - | - | - | - | - | - |

3. Accessibility of workplaces

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

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

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

Yes, the Company provides equal rights to its employees and doesn't discriminate on any ground, including race, caste, religion, colour, ancestry, marital status, gender, sexual orientation, age, nationality, ethnic origin, disability or any other category protected by applicable law. The Company also recruits, develops and promotes its employees solely on performance, merit, competence and potential.

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

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

| Gender | Permanent employees | | Permanent workers | |
|--------------|---------------------|----------------|--|----------------|
| | Return to work rate | Retention rate | Return to work rate | Retention rate |
| Male | 100% | 88% | All benefits extended to the contract workforce (workers) are in line with statutory provisions and are extended by the respective contractor. As a principal employer, Tata Elxsi is committed to ensuring compliance by means of frequent audits on contractors. | |
| Female | 100% | 89% | | |
| Total | 100% | 88% | | |

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

| | Yes/No (If yes, then give details of the mechanism in brief) |
|------------------------------|---|
| Permanent workers | Yes, the Company has implemented an open-door approach for every employee, regardless of their position. |
| Other than permanent workers | |
| Permanent workers | It offers various platforms to its employees for sharing their grievances and concerns, including Ethics Speak up, HR Helpdesk and emails to their supervisors. Further the company follows the 'Tata Code of Conduct' (TCoC) encouraging employees to raise concerns about Bribery and corruption, harassment and Human rights issues, Insider trading and many more. |
| Other than permanent workers | |

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

| Category | 2022-23 (Current financial year) | | | 2021-22 (Previous financial year) | | |
|----------------------------------|--|--|---------|--|--|---------|
| | Total employees/ workers in the respective category (A) | No. of employees/ workers in the respective categories, who are part of association(s) or union(B) | % (B/A) | Total employees/ workers in the respective category (C) | No. of employees/ workers in the respective categories, who are part of association(s) or union(D) | % (D/C) |
| Total Permanent Employees | Tata Elxsi acknowledges and upholds the rights of its employees to peacefully associate and engage in collective bargaining. Tata Elxsi actively promotes employee participation through purpose driven groups to enhance engagement and voice concerns. | | | | | |
| Male | | | | | | |
| Female | | | | | | |
| Total Permanent Workers | | | | | | |
| Male | | | | | | |
| Female | | | | | | |

8. Details of training given to employees and workers:

| Category | 2022-23 (Current financial year) | | | | | 2021-22 (Previous financial year) | | | | |
|---|-------------------------------------|----------------------------------|-------------|-------------------------|------------|--------------------------------------|----------------------------------|-------------|-------------------------|------------|
| | Total (A) | On health and safety measures | | On skill upgradation | | Total (D) | On health and safety measures | | On skill upgradation | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| Employees (permanent + direct consultants) | | | | | | | | | | |
| Male | 7,272 | 7,272 | 100% | 6,540 | 90% | 5,712 | 5,712 | 100% | 5,160 | 90% |
| Female | 4,144 | 4,144 | 100% | 3,730 | 90% | 3,076 | 3,076 | 100% | 2,750 | 90% |
| Total | 11,416 | 11,416 | 100% | 10,270 | 90% | 8,788 | 8,788 | 100% | 7,910 | 90% |
| Workers | | | | | | | | | | |
| Male | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| Female | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| Total | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |

Training is an element for safety awareness. Health and safety training is imparted to employees as a part of the induction module at the time of joining to achieve minimum mandatory awareness related to health and safety (H&S). Constant reinforcement sessions are conducted through webinars, trainings, posters, emails and floor meetings.



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

| Category | 2022-23 (Current financial year) | | | 2021-22 (Previous financial year) | | |
|------------------|--|---------------|-------------|--------------------------------------|--------------|-------------|
| | Total (A) | No. (B) | % (B/A) | Total (C) | No. (D) | % (D/C) |
| Employees | | | | | | |
| Male | 7,151 | 7,151 | 100% | 5,712 | 5,712 | 100% |
| Female | 4,103 | 4,103 | 100% | 3,076 | 3,076 | 100% |
| Total | 11,254 | 11,254 | 100% | 8,788 | 8,788 | 100% |
| Workers | | | | | | |
| Male | All benefits extended to the contract workforce (workers) are in line with statutory provisions and are extended by the respective contractor. As a principal employer, Tata Elxsi is committed to ensuring compliance by means of frequent audits on contractors. Tata Elxsi provides constructive feedback towards their performance (if any). | | | | | |
| Female | | | | | | |
| Total | | | | | | |

10. Health and safety management system:

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

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

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

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

Hazard Identification and Risk Analysis (HIRA) process: Tata Elxsi uses a structured approach to identify and evaluate potential hazards in its operations.

Incident reporting by employees and workers: Tata Elxsi encourages its employees and workers to report any incidents, accidents, or near-misses that occur in the workplace.

Safety walkthroughs by the leadership and senior management: Tata Elxsi conducts regular safety walkthroughs of its facilities to identify potential hazards and assess their risk.

- c. Whether you have processes for workers to report work-related hazards and to remove themselves from such risks. (Yes/No)

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

- d. Do the employees/workers of the entity have access to non-occupational medical and healthcare services? (Yes/No)

Yes, Tata Elxsi has a doctor-in-campus facility and corporate tie-ups with the nearest multi-specialty hospitals for any emergencies.



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

| Safety Incident/Number | Category | 2022-23 (Current financial year) | 2021-22 (Previous financial year) |
|--|-----------|-------------------------------------|--------------------------------------|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | - | - |
| | Workers | - | - |
| Total recordable work-related injuries | Employees | - | - |
| | Workers | - | - |
| No. of fatalities | Employees | - | - |
| | Workers | - | - |
| High consequence work-related injury or ill-health (excluding fatalities) | Employees | - | - |
| | Workers | - | - |

12. Describe the measures taken by the entity to ensure a safe and healthy work place:

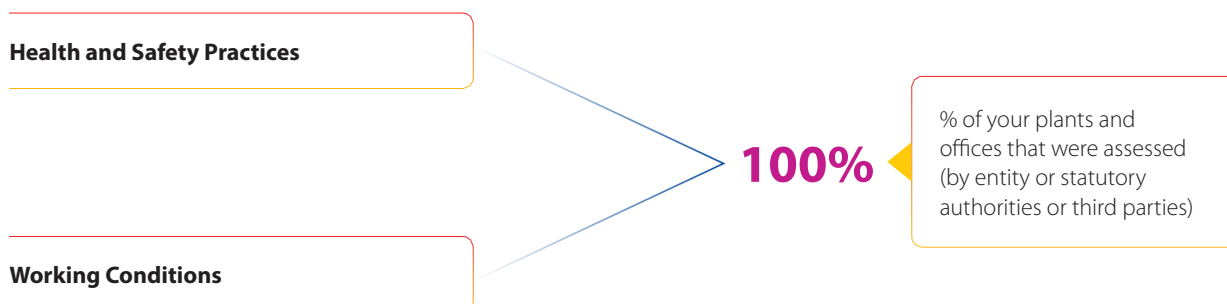
The Company undertook various measures to ensure a safe and healthy workplace which include:

- ▶ Implementing Organisation Health and Safety System in line with ISO 45001:2018 standard
- ▶ Providing training through awareness programs on physical and mental well-being
- ▶ Mandating medical check-ups for high-risk categories
- ▶ Facilitating doctor on campus
- ▶ Counselling helpline one-to-one and 24*7 telemedicine facility

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

| | 2022-23 (Current financial year) | | | 2021-22 (Previous financial year) | | |
|--------------------|-------------------------------------|---|---------|--------------------------------------|---|---------|
| | Filed during the year | Pending resolution at the end of the year | Remarks | Filed during the year | Pending resolution at the end of the year | Remarks |
| Working conditions | - | - | - | 13 | - | - |
| Health & safety | 6 | - | - | 10 | - | - |

14. Assessments for the year:



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

For more details please refer to [Fostering a Culture Designed to Nurture \(Human Capital\) section of the Integrated Report](#)



PRINCIPLE 4

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

Tata Elxsi has developed its sustainability strategy and identified materiality factors in the interest of its stakeholder.

Essential indicators

1. Describe the processes for identifying key stakeholder groups of the entity-stakeholder analysis and the key stakeholders include shareholders, customers, employees and Government.

The Company identifies any individual, group, or institution that contributes value to its business chain or is affected by its actions as a key stakeholder.

Following are the key stakeholders identified by the Company:

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



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

| Stakeholder | Whether identified as vulnerable & marginalised | Channels of communication | Frequency of engagement (annually/ half-yearly/ quarterly) | Group purpose and scope of engagement, including key topics and group concerns raised during such engagement |
|---|---|--|--|--|
|  SHAREHOLDERS | No | Annual reports, earnings calls, newspaper advertisement/ notices, the Company's website, annual general meetings and press releases. | Quarterly/yearly | To provide information and update on the companies performance. |
|  EMPLOYEES | No | Code of conduct, trainings, workshops, employee touch base and grievance mechanisms | Need-based, quarterly | Rewards, training and development, wellness and safety measures. |
|  CUSTOMERS | No | Tech days at customer premise, events, conferences, trade shows, leadership meetings, programme reviews and satisfaction surveys | Need-based, half-yearly | Product/service information, customer feedback |
|  ACADEMIC INSTITUTIONS | No | MoU's, technology meetings, conferences and seminars | Ongoing basis | Capability development and research |
|  SUPPLIERS, VENDORS AND PARTNERS | No | Supplier code of conduct, contracts, training & awareness and appraisals | Ongoing and need-based | Supplier sustainability |
|  COMMUNITIES | Yes | CSR Policy, volunteering programs, Shiksha, Niramay, Paryavaran initiatives. | Quarterly and annually | Community development |
|  REGULATORY BODIES | No | Statutes and regulations | Need-based | Statutory and regulatory compliances |

For more details please refer to Empowering Engagement to Build Trust section of the Integrated Report



PRINCIPLE 5

Businesses should respect and promote human rights.

Tata Elxsi has established its code of conduct and sustainability policy to ensure human rights. Systems have been developed to promote awareness and ensure compliance.

Essential indicators

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

| Category | 2022-23 (Current financial year) | | | 2021-22 (Previous financial year) | | |
|------------------------------|---|---------------------------------------|-------------|--------------------------------------|--------------------------------------|-------------|
| | Total (A) | No. of employees /workers covered (B) | % (B/A) | Total (C) | No. employees of/workers covered (D) | % (D/C) |
| Employees | | | | | | |
| Permanent | 11,254 | 11,254 | 100% | 8,788 | 8,788 | 100% |
| Other than permanent | 610 | 610 | 100% | 587 | 587 | 100% |
| Total employees | 11,864 | 11,864 | 100% | 9,375 | 9,375 | 100% |
| Workers | | | | | | |
| Permanent workers | All workers (contract workers) undergo mandatory Tata Code of Conduct orientation, which covers key trainings on human rights issues. | | | | | |
| Other than permanent workers | | | | | | |
| Total workers | | | | | | |

* For all employees (permanent, DC and TPC's), mandatory induction programme includes Tata Code of Conduct which covers key trainings on human rights issue and related policies.

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

| Category | 2022-23 (Current financial year) | | | | | 2021-22 (Previous financial year) | | | | |
|----------------------|-------------------------------------|--------------------------|---------|---------------------------|---------|--------------------------------------|--------------------------|---------|---------------------------|---------|
| | Total (A) | Equal to minimum wage | | More than minimum wage | | Total (D) | Equal to minimum wage | | More than minimum wage | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| Employees | | | | | | | | | | |
| Permanent | 11,254 | - | - | 11,254 | 100% | 8,788 | - | - | 8,788 | 100% |
| Male | 7,151 | - | - | 7,151 | 100% | 5,712 | - | - | 5,712 | 100% |
| Female | 4,103 | - | - | 4,103 | 100% | 3,076 | - | - | 3,076 | 100% |
| Other than permanent | 610 | - | - | 610 | 100% | 587 | - | - | 587 | 100% |
| Male | 458 | - | - | 458 | 100% | 434 | - | - | 434 | 100% |
| Female | 152 | - | - | 152 | 100% | 153 | - | - | 153 | 100% |
| Workers | | | | | | | | | | |
| Permanent | 385 | - | - | 385 | 100% | 274 | - | - | 274 | 100% |
| Male | 294 | - | - | 294 | 100% | 216 | - | - | 216 | 100% |
| Female | 91 | - | - | 91 | 100% | 58 | - | - | 58 | 100% |
| Other than permanent | - | - | - | - | - | - | - | - | - | - |
| Male | - | - | - | - | - | - | - | - | - | - |
| Female | - | - | - | - | - | - | - | - | - | - |

3. Details of remuneration/salary/wages, in the following format:

| | Male | | Female | |
|---|--|---|--------|--|
| | Number | Median remuneration/ salary/ wages of the respective category (₹ in lakhs) | Number | Median remuneration/ salary/wages of respective category (₹ in lakhs) |
| BOARD OF DIRECTORS (BOD)* | 5 | 1,162.10 | 1 | 198.10 |
| KEY MANAGERIAL PERSONNEL^ | 1 | 74.71 | 1 | 24.50 |
| EMPLOYEES OTHER THAN BOD AND KMP | 7,151 | 9.00 | 4,103 | 7.00 |
| WORKERS | All benefits extended to the contract workforce (workers) are in line with statutory provisions and are extended by the respective contractor. As a principal employer, Tata Elxsi is committed to ensuring compliance by means of frequent audits on contractors. | | | |

* Remuneration for BoD includes commission paid during the year and sitting fees paid to Non-Executive Directors.

^ excludes Executive Director



4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the Company has assigned the responsibility of addressing human rights issues or impacts to the Head of the Human Resource department.

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

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

Open-door policy:

The Company has an open-door policy that allows employees to raise any human rights concerns with their managers or supervisors.

Grievance redressal mechanism:

The Company has a grievance redressal mechanism in place that allows employees to report any human rights violations or concerns anonymously.

Code of conduct:

The Company has a code of conduct that sets out Tata Elxsi's commitment to human rights and ethical business practices.

Ethics helpline:

The Company has an ethics helpline that employees and workers can use to report any concerns related to human rights violations, ethical misconduct, or other issues.

HR helpdesk:

The Company's HR helpdesk helps employees to approach or raise any concerns related to human rights or other issues.

Employee touchbase:

The Company's employee touchbase system allows employees to provide feedback and suggestions on various aspects of the Company's operations, including human rights. The system is designed to promote transparency and communication between employees and management.

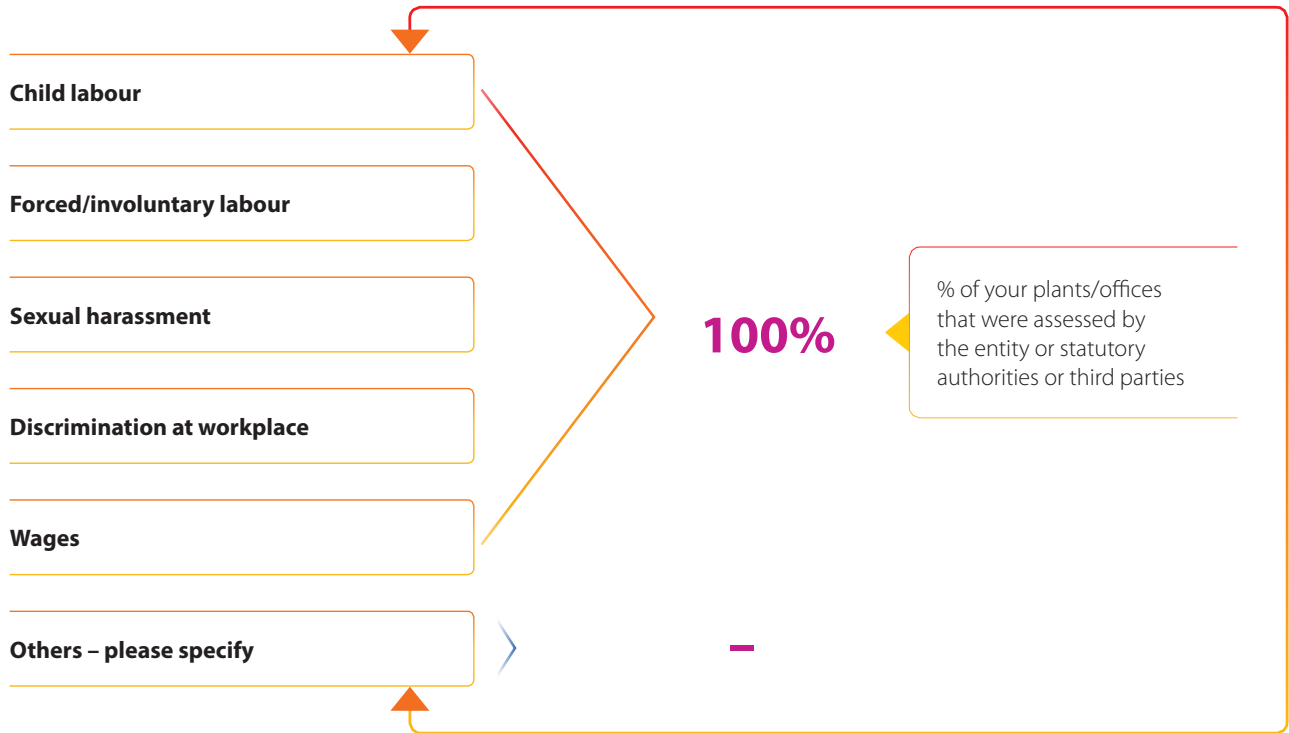
6. Number of Complaints on the following made by employees and workers:

| | 2022-23 (Current financial year) | | | 2021-22 (Previous financial year) | | |
|-----------------------------------|-------------------------------------|---------------------------------------|---------|--------------------------------------|--|---------|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution as at the end of the year | Remarks |
| Sexual harassment | 3 | - | - | 3 | - | - |
| Discrimination at workplace | - | - | - | - | - | - |
| Child labour | - | - | - | - | - | - |
| Forced labour/involuntary labour | - | - | - | - | - | - |
| Wages | - | - | - | - | - | - |
| Other human rights related issues | - | - | - | - | - | - |

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases:
 Tata Elxsi has established multiple mechanisms to prevent adverse consequence to the complainant. This includes POSH, Grievance Redressal mechanism and ethics helpline to promote protected disclosures.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)
 Yes

9. Assessments for the year:



*Note: Tata Elxsi design and development facilities are assessed as below

- ▶ ISO 9001: 2015 – For Quality Management System
- ▶ ISO 27001: 2013 – For Information Security Management System
- ▶ ISO 45001: 2018 – For Occupational Health and Safety Management System
- ▶ ISO 14001: 2015 – For Environmental Management System
- ▶ ISO 13485: 2016 – For Medical Device Certification
- ▶ CMMi V2.0 Level 3 – For Digital applications for Medical Domain
- ▶ Auto SPICE – For Automotive Projects
- ▶ TISAX – Information Security certification for German Automotive projects

10. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 9 above.

NA

For more details please refer to [Fostering a Culture Designed to Nurture \(Human Capital\) section of the Integrated Report](#)



PRINCIPLE 6

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

Tata Elxsi integrates sustainability into its 'Design Digital' approach. The Company advocates environmental sustainability, energy efficiency and waste reduction in its operations and products/services.

Essential indicators

1. Details of total energy consumption (in KWH) and energy intensity in the following format:

| Parameter | 2022-23 (Current financial year) | 2021-22 (Previous financial year) |
|---|-------------------------------------|--------------------------------------|
| Total electricity consumption (A) | 99,28,975 | 75,11,216 |
| Total fuel consumption (B) | 1,03,113 | 77,197 |
| Energy consumption through other sources (C) | - | - |
| Total energy consumption (A+B+C) | 1,00,32,087 | 75,88,412 |
| Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees) | 0.00032 | 0.00030 |
| Energy intensity (optional)/employee – the entity may select the relevant metric | 845.59 | 809.34 |

Impact of Work from Home and Hybrid work model.

Note: Indicate if any independent assessment/evaluation/assurance was carried out by an external agency? (Yes/No) If yes, the name of the external agency- Yes - ISOQAR

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Yes/No) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

NA

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

| Parameter | 2022-23 (Current financial Year) | 2021-22 (Previous financial year) |
|--|-------------------------------------|--------------------------------------|
| (i) Surface water | - | - |
| (ii) Groundwater | 15,864 | 8,969 |
| (iii) Third-party water | 31,258 | 10,216.58 |
| (iv) Seawater/desalinated water | - | - |
| (v) Others | - | - |
| Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v) | 47,122 | 19,185.58 |
| Total volume of water consumption (in kilolitres) | 47,122 | 19,185.58 |
| Water intensity per rupee of turnover (water consumed/turnover) | 0.00000150 | 0.00000078 |
| Water intensity (optional)/employee – the entity may select the relevant metric (in kilolitres) | 3.97 | 2.04 |

The consumption of water increased in 2022-23 due to an increase in the total number of facilities. Additionally, Tata Elxsi expanded its presence to other cities, and with employees returning to the offices, further contributed to the increase in water consumption.

Note: Indicate if any independent assessment/evaluation/assurance was carried out by an external agency? (Yes/No) If yes, the name of the external agency: Yes - ISOQAR

4. Has the entity implemented a mechanism for zero liquid discharge? If yes, provide details of its coverage and implementation.

The Company has implemented 10 additional rainwater harvesting pits in 2022-23 at hoody campus and is on the road to achieving zero liquid discharge for this facility.

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

Tata Elxsi is an ER&D service company and has minimal air emissions. We use a DG sets during power outages only. We ensure compliance with regulations related to stack emission parameters such as nitrous oxide, non-methane hydrocarbons, carbon monoxide, and particulate matter, among others. Monitoring of stack emissions is conducted at the frequency required by the PCB Consent To Operate (CTO).

| Parameter | Please specify unit | 2022-23 (Current financial year) | 2021-22 (Previous financial year) |
|-------------------------------------|-------------------------------|-------------------------------------|--------------------------------------|
| NOx | µg /m3 (microgram/meter cube) | 17.6 | 14.2 |
| SOx | µg /m3 (microgram/meter cube) | 7.4 | 8 |
| Particulate matter (PM10) | µg /m3 (microgram/meter cube) | 59.6 | 56.5 |
| Persistent organic pollutants (POP) | - | NA | NA |
| Volatile organic compounds (VOC) | - | NA | NA |
| Hazardous air pollutants (HAP) | - | NA | NA |
| Others – please specify | - | - | - |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Air quality checks has been done by NABL accredited service provider

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

| Parameter | Unit | 2022-23 (Current financial year) | 2021-22 (Previous financial year) |
|---|--|-------------------------------------|--------------------------------------|
| Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | Metric tonnes of CO2 equivalent | 108.4 | 81.1 |
| Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | Metric tonnes of CO2 equivalent | 5005 | 5478 |
| Total Scope 1 and Scope 2 emissions per rupee of Turnover | Metric tonnes of CO2 equivalent/rupee turnover | 0.000000163 | 0.000000225 |
| Total Scope 1 and Scope 2 emission intensity/employee (optional) – the relevant metric may be selected by the entity | Metric tonnes of CO2 equivalent/employee | 0.43 | 0.59 |



The emissions in Scope 1 rose due to the rise in the usage of diesel generators and passenger vehicles following the lifting of lockdown restrictions. However, the Company is implementing several measures to reduce emissions, such as introducing rooftop solar power generation, replacing old fluorescent retrofitting with energy-efficient LED lights, and using reflective painting on the terrace. As a result, there has been a noticeable decrease in Scope 2 emissions during the year.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, the name of the external agency. Yes Tata Elxsi is assessed ISO 45001:2018 – For Occupational Health and Safety Management System and ISO 14001: 2015 – For Environmental Management System by Bureau Veritas and Key KPI's are verified by ISOQAR.

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

Tata Elxsi has taken up a target to reduce its absolute Scope 1 and Scope 2 carbon footprint by 50% by 2025 and become Carbon Neutral by 2030. To this end, Tata Elxsi has undertaken multiple initiatives, including migrating to green power and using energy-efficient equipment.

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

Tata Elxsi is an ER&D Service Company, and its operations do not generate any significant waste. The e-waste recycling process takes care of obsolete computers, monitors, computer accessories and other electronic office equipment, and only PCB-authorized vendors are employed to carry out the e-waste disposal.

| Parameter | 2022-23 (Current financial year) | 2021-22 (Previous financial year) |
|--|-------------------------------------|--------------------------------------|
| Total waste generated (in metric tonnes) | | |
| Plastic waste (A) | 0.27 | NA |
| E-waste (B) | NIL | NIL |
| Bio-medical waste (C) | NIL | NIL |
| Construction and demolition waste (D) | NIL | NIL |
| Battery waste (E) | 2.74 | 16.82 |
| Radioactive waste (F) | NIL | NIL |
| Other hazardous waste. Please specify, if any. (G) | NIL | NIL |
| Other non-hazardous waste generated (H) . Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) | 8.38 | NA |
| Total (A + B + C + D + E + F + G + H) | 11.39 | 16.82 |
| For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes) | | |
| Category of waste | | |
| (i) Recycled | 2.74 (battery waste or lead) | 16.82 (battery waste or lead) |
| (ii) Re-used | NIL | NIL |
| (iii) Other recovery operations | NIL | NIL |
| Total | 2.74 | 16.82 |
| For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes) | | |
| Category of waste | | |
| (i) Incineration | NIL | NIL |
| (ii) Landfilling | NIL | NIL |
| (iii) Other disposal operations | NIL | NIL |
| Total | NIL | NIL |

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

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

All solid waste is handed over to the respective authorised municipal waste collection agencies for recycling and responsible disposal. The hazardous waste and solid waste is handed over to agencies appointed by the statutory authority i.e. PCB in the respective locations. At Tata Elxsi, the solid garden waste is recycled on the premises. All premises are ISO 14001/EMS certified by Bureau Veritas.

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

| S. No. | Location of operations/offices | Type of operations | Whether the conditions of environmental approval/clearance are being complied with? (Yes/No) If no, the reasons thereof and corrective action taken, if any. |
|--------|--------------------------------|--------------------|--|
| NA | | | |

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable law in the current financial year:- NA

| Name and brief details of project | EIA notification no. | Date | Whether conducted by independent external agency (Yes/No) | Results communicated in public domain (Yes/No) | Relevant web link |
|-----------------------------------|----------------------|------|---|--|-------------------|
| NA | | | | | |

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

Yes, Tata Elxsi has complied with applicable environmental law/regulations/guidelines in India.

| S. No. | Specify the law/regulation/guidelines which was not complied with | Provide details of the non-compliance | Any fines/penalties / action taken by regulatory agencies such as pollution controlboards or by courts | Corrective action taken, if any |
|--------|---|---------------------------------------|--|---------------------------------|
| NIL | | | | |

For more details please refer to Protecting the Planet with Concerted Efforts (Natural Capital) section of the Integrated Report



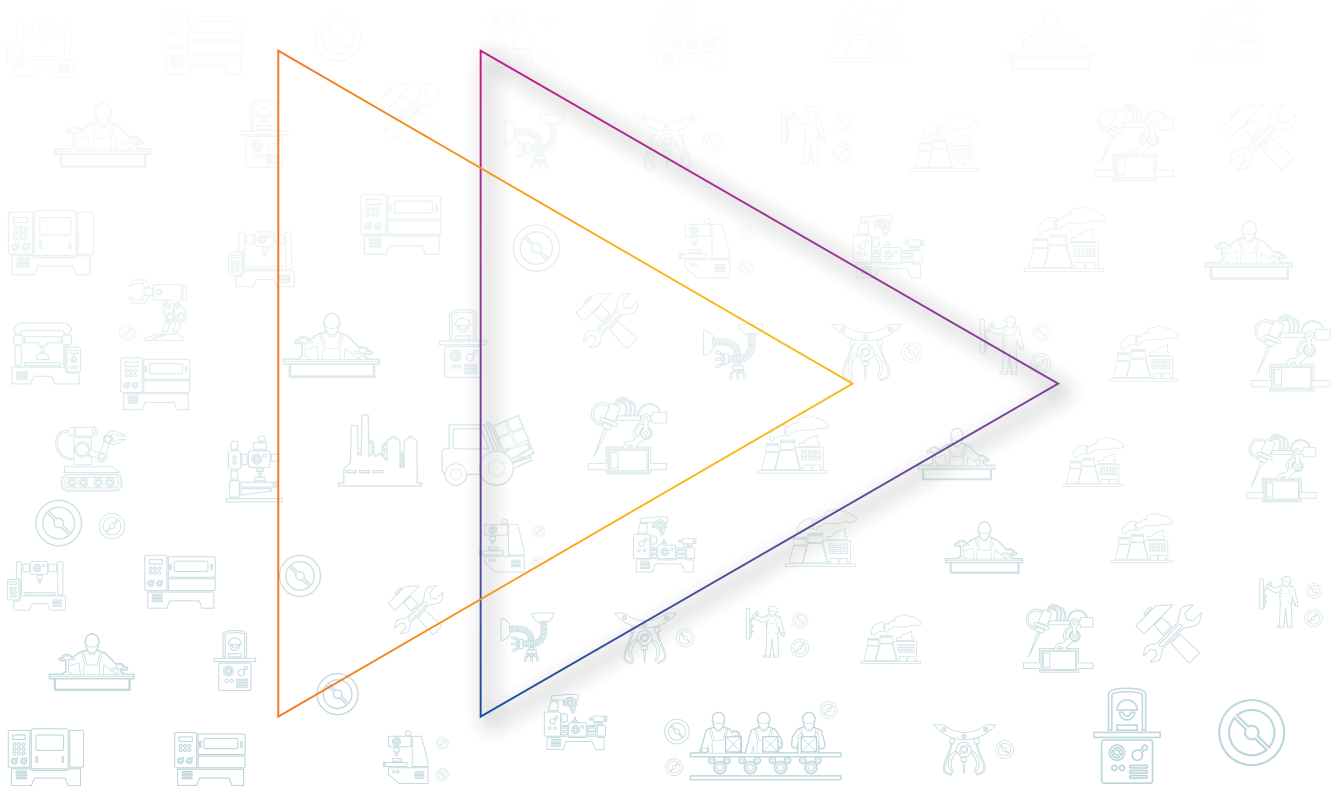
PRINCIPLE 7

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

Tata Elxsi adheres to all applicable regulatory policies and has in place the necessary systems to monitor and improve compliance.

Essential indicators

1. a. Number of affiliations with trade and industry chambers/ associations.
Nil
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.
NA
2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity based on adverse orders from regulatory authorities:
NA



PRINCIPLE 8

Businesses should promote inclusive growth and equitable development.

Tata Elxsi has established its sustainability policy, CSR policy and supplier sustainability policy that promotes inclusive growth and equitable development.

Essential indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws in the current financial year: No SIA requirement.

| Name and brief details of the project | SIA notification no. | Date of notification | Whether conducted by an independent external agency (Yes/No) | Results communicated in the public domain | Relevant weblink |
|---------------------------------------|----------------------|----------------------|--|---|------------------|
| NA | | | | | |

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

| S. no | Name of the project for which R&R is ongoing | State | District | No. of project-affected families (PAFs) | % PAFs covered | Amounts paid to PAFs |
|-------|--|-------|----------|---|----------------|----------------------|
| NA | | | | | | |

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

Tata Elxsi is governed by the Tata Code of Conduct and every agreement made among the stakeholders includes provisions for addressing grievances, disputes, and other related issues. Moreover, the stakeholders are informed about the ethics helpline that they can use to report any concerns.

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

| | 2022-23 (Current financial year) | 2021-22 (Previous financial year) |
|--|-------------------------------------|--------------------------------------|
| Directly sourced from MSMEs/small producers | 21% | - |
| Sourced directly from within the district and neighbouring districts | - | - |



PRINCIPLE 9

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

The Company's focus on human-centered design and user experience ensures that its digital solutions are engineered with the user in mind, and that they provide value and meet their needs.

Essential indicators

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

Tata Elxsi has a structured process and framework to capture, analyse and take action on customer complaints and concerns. All project proposals also have a clearly defined escalation matrix to raise such complaints. This is further supplemented by regular weekly CEO meetings with BU Heads and Sales Heads.

Tata Elxsi obtains instant feedback from its customers on perceived dissatisfaction. The Delivery Excellence organization monitors every project executed in the Company. Individual Quality team members track complaints/concerns and follow up with necessary stakeholders for resolution. The complaint or concern is treated as closed only after confirmation from the customer. The quality team presents an aggregated analysis, every quarter, to the divisional and functional heads for appropriate improvement actions.

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

NA

| | As a percentage of total turnover |
|---|-----------------------------------|
| Environmental and social parameters relevant to the product | NA |
| Safe and responsible usage | NA |
| Usage recycling and/or safe disposal | NA |

- Number of consumer complaints in respect of the following:

| | 2022-23 (Current financial year) | | | 2021-22 (Previous financial year) | | |
|--------------------------------|-------------------------------------|-----------------------------------|---------|--------------------------------------|-----------------------------------|---------|
| | Received during the year | Pending resolution at end of year | Remarks | Received during the year | Pending resolution at end of year | Remarks |
| Data privacy | Nil | Nil | Nil | Nil | Nil | Nil |
| Advertising | Nil | Nil | Nil | Nil | Nil | Nil |
| Cyber-security | Nil | Nil | Nil | Nil | Nil | Nil |
| Delivery of essential services | Nil | Nil | Nil | Nil | Nil | Nil |
| Services | Nil | Nil | Nil | Nil | Nil | Nil |
| Restrictive trade practices | Nil | Nil | Nil | Nil | Nil | Nil |
| Unfair trade practices | Nil | Nil | Nil | Nil | Nil | Nil |

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

None

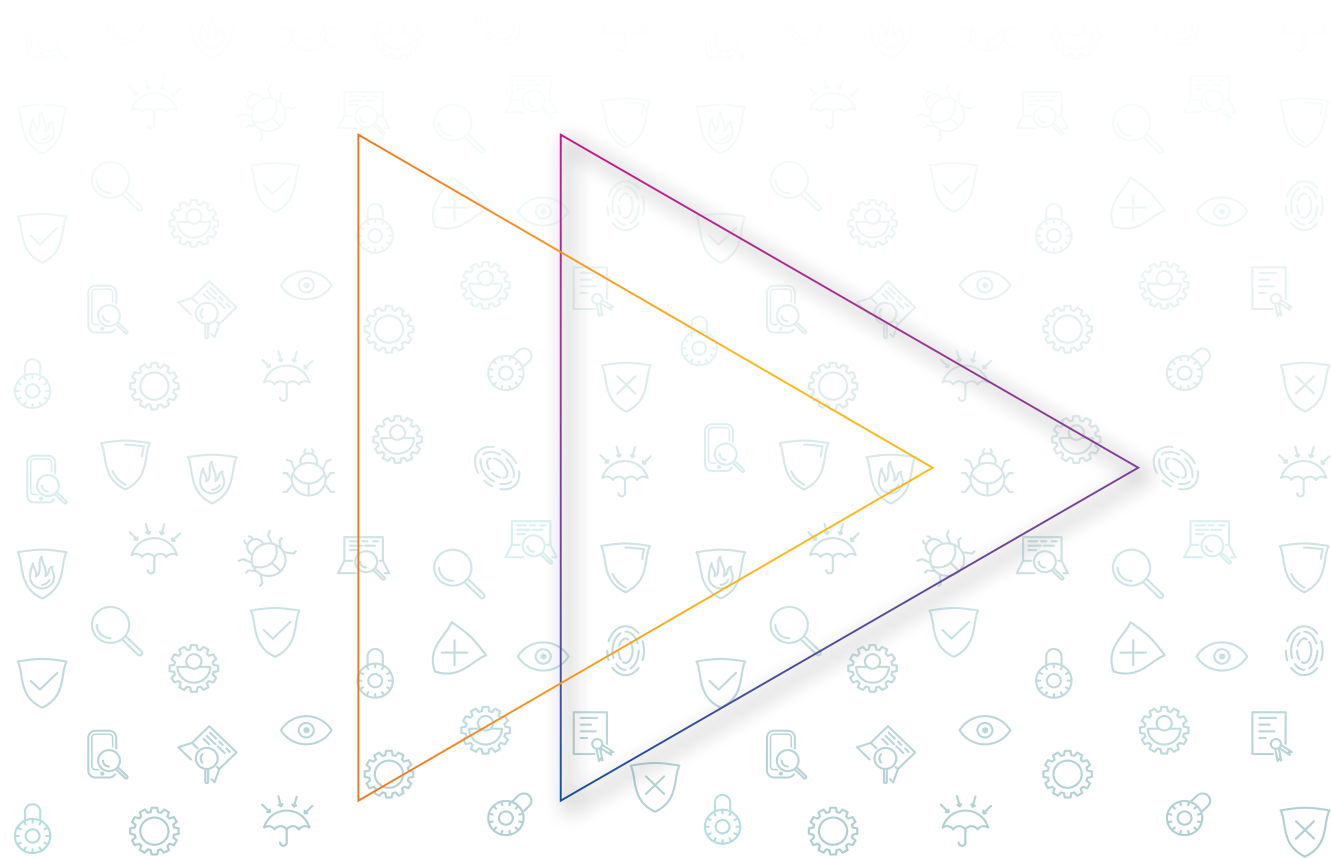
5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No)

If available, provide the weblink to the policy: Yes, Information Security Policy

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

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

NA



Annexure “A” to the Directors’ Report

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

1. CONSERVATION OF ENERGY

We 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 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.

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. We have embarked on a critical review of all our approaches towards energy and environmental conservation that will help us identify goals and action plans for the longer term.

2. TECHNOLOGY ABSORPTION, ADAPTION, AND INNOVATION

Your Company undertakes various learning and development initiatives to build critical organisational 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 commercialisation and licensing.

R&D Activities and Expenditure

During the year, we invested 1.69% 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 2022-23 are given below:

- i. Capital: Nil
- ii. Recurring: ₹53.14 crores
- iii. Total: ₹53.14 crores
- iv. Total R & D expenditure as a total percentage of turnover: 1.69%

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

3. FOREIGN EXCHANGE EARNINGS AND OUTGO

Export revenue constituted 83% of the total revenue in financial year 2022-23

| | (₹ In crores) |
|---------------------------------|---------------|
| Foreign exchange earnings | 2,611.34 |
| CIF Value of imports | 65.59 |
| Expenditure in foreign currency | 633.13 |

For and on behalf of the Board

N. G. Subramaniam
Chairman

Bengaluru, May 18, 2023



Annexure “B” to the Directors’ Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

1 Brief Outline on CSR Policy of the Company

Our CSR activities are designed to:

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

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

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

2 Composition of CSR Committee

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

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

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

- 5 (a) Average net profit of the Company as per sub-section (5) of Section 135: **₹44700 lakhs**
 (b) Two percent of average net profit of the Company as per sub-section (5) of Section 135: **₹894 lakhs**
 (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: **Nil**
 (d) Amount required to be set-off for the financial year, if any: **Nil**
 (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: **₹894 lakhs**

- 6 (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): **₹738 lakhs**
 (b) Amount spent in Administrative Overheads: **₹38.6 lakhs**
 (c) Amount spent on Impact Assessment, if applicable: **Not Applicable**
 (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: **₹776.6 lakhs**
 (e) **CSR amount spent or unspent for the financial year:**

| Total Amount spent for the Financial Year (in ₹) | Amount Unspent (in ₹) | | | | |
|--|--|------------------|---|--------|------------------|
| | Total Amount transferred to Unspent CSR Account as per section 135(6). | | Amount Transferred to any fund specified under Schedule VII as per second proviso to section 135(5) | | |
| | Amount | Date of transfer | Name of the fund | Amount | Date of Transfer |
| 7,76,65,274 | 1,17,34,725 | April 26, 2023 | - | - | - |

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

(f) Excess amount for set off, if Any

| Sl. No. | Particulars | Amount (in ₹) |
|---------|---|----------------|
| (i) | Two percent of average net profit of the Company as per section 135(5) | 4,47,00,00,000 |
| (ii) | Total amount spent for the Financial Year | 7,76,65,274.00 |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | Nil |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | Nil |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | Nil |

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

| Sl. No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under section 135 (6) (in ₹) | Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹) | Amount Spent in the Financial Year (in ₹) | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. | | Amount remaining to be spent in succeeding financial years. (in ₹) | Deficiency, if any |
|---------|--------------------------|--|---|---|--|------------------|--|--------------------|
| | | | | | Amount (in ₹) | Date of Transfer | | |
| 1 | 2021-22 | 4487000 | - | 4487000 | - | - | - | |
| 2 | | | | | | | | |
| 3 | | | | | | | | |
| | Total | | | | | | | |

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

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

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

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

9 Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per subsection (5) of Section 135: **Not Applicable.**

Bengaluru, May 18, 2023

Sudhakar Rao
Chairman of the CSR Committee

Manoj Raghavan
Managing Director & CEO



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

DETAILS OF CSR EXPENDITURE OF TATA ELXSI LIMITED DURING THE FINANCIAL YEAR 2022-23

| Sl. No | Name of the project | Item from the list of activities in Schedule VII to the Act. | Location of the project. | | Amount spent in the current financial Year (in lakhs). | Amount transferred to Unspent CSR Account for the project as per Sec 135(6) (in lakhs). | SDG areas covered | Mode of Implementation - (Direct) (Yes/ No) | Mode of Implementation - if through Implementing Agency | |
|--------|--|--|--------------------------|-----------------------|--|---|-------------------|---|--|-------------------------|
| | | | State | District | | | | | Name | CSR Registration Number |
| 1 | Sponsoring educational assistance for needy students for MSc Programmes in Environmental Studies. No. of students impacted - 45 | Education | Karnataka | Banglore | 15.00 | 15.00 | SDG 4 | No | Ashoka Trust for Research in Ecology and the Environment | CSR00004694 |
| 2 | Scholarship for needy diploma students. No. of students impacted- 178 | Education | Kerala | PAN Kerala | 15.71 | 55.91 | SDG 4 | No | Viswa Santhi Foundation | CSR00004579 |
| 3 | Skilling the underserved youth including trans people. No. of beneficiaries - 480 | Education | Pan India | | 118.36 | - | SDG 4, 5 & 10 | No | Tata Strive | CSR00002739 |
| 4 | Mobilisation, Training and Placement of Transmen. | Education | Kerala | Trivandrum | 1.00 | 1.00 | SDG 4, 5 & 10 | No | Vanwasi Gopalkrushna Bahuddeshiya Mandal | CSR00008034 |
| 5 | Training and Placement of Transmen. No. of transmen impacted - 50 | Education | Kerala | Trivandrum | 2.40 | 3.60 | SDG 4, 5 & 10 | No | Mr. Ramkrishna Mission Charitable Hospital | CSR00002806 |
| 6 | Hostel For Transpeople | Education | Kerala | Trivandrum | 10.36 | - | SDG 4, 5 & 10 | No | Mr. Ramkrishna Mission Charitable Hospital | CSR00002806 |
| 7 | Education through art for Spastic Children. No. of impacted children (beneficiaries) - 42 | Education | Karnataka and Tamil Nadu | Bangalore and Chennai | 20.00 | - | SDG 4 & 10 | No | RASA | CSR00004975 |
| 8 | Voice dubbing of Badhti Ka Naam Gaadi quiz into several Indian languages to increase usage. No. of certified users impacted (beneficiaries) - 16421" | Education | Karnataka | Bangalore | 21.96 | - | SDG 3 & 4 | No | Tata Strive - BKNG Project | CSR00002739 |

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

| Sl. No | Name of the project | Item from the list of activities in Schedule VII to the Act. | Location of the project. | | Amount spent in the current financial Year (in lakhs). | Amount transferred to Unspent CSR Account for the project as per Sec 135(6) (in lakhs). | SDG areas covered | Mode of Implementation - (Direct) (Yes/ No) | Mode of Implementation - if through Implementing Agency | |
|--------|---|--|--------------------------|------------|--|---|-------------------|---|---|-------------------------|
| | | | State | District | | | | | Name | CSR Registration Number |
| 9 | Education of orphan children. No. of impacted children (beneficiaries) - 10. | Education | Karnataka | Bangalore | 6.00 | - | SDG 2 & 4 | No | Vishranthi Trust | CSR00006482 |
| 10 | Scholarship for needy students from slums in Pune. No. of students covered (beneficiaries) - 40 | Education | Maharashtra | Pune | 10.93 | - | SDG 4 & 10 | No | Swa-roopawarvhinee | CSR00002033 |
| 11 | Financial support for education to needy students No. of students covered (beneficiaries) - 2 | Education | Karnataka | Bangalore | 1.92 | - | SDG 4 | Yes | Direct | - |
| 12 | Exercise books, geometry boxes and school bags to Govt HSS, Chalai, TVM | Education | Kerala | Trivandrum | 0.10 | - | SDG 4 | Yes | Direct | - |
| 13 | School Books for needy students | Education | Kerala | Trivandrum | 0.94 | - | SDG 4 | Yes | Direct | - |
| 14 | Voice recording of stories for the blind. | Education | Pan India | | 0.34 | - | SDG 4 & 10 | No | Team Everest | CSR00003848 |
| 15 | Addressing health status of 12 Tribal Villages in Pune District in a sustainable way. No. of beneficiaries addressed - 9000 | Healthcare | Maharashtra | Pune | 26.93 | 8.98 | SDG 3 | No | KEM Hospitals | CSR00004640 |
| 16 | Project DISHA (Directive for Slum Health Action). No. of beneficiaries addressed - 15000 | Healthcare | Karnataka | Banglore | 81.36 | - | SDG 3 | No | Bangalore Baptist Hospital | CSR00005121 |
| 17 | Providing palliative care expenses for 1 ward of patients for 1 month. No. of beneficiaries addressed - 11 | Healthcare | Karnataka | Banglore | 5.00 | - | SDG 3 | No | Karunashraya | CSR00002889 |



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

| Sl. No | Name of the project | Item from the list of activities in Schedule VII to the Act. | Location of the project. | | Amount spent in the current financial Year (in lakhs). | Amount transferred to Unspent CSR Account for the project as per Sec 135(6) (in lakhs). | SDG areas covered | Mode of Implementation - (Direct) (Yes/No) | Mode of Implementation - if through Implementing Agency | |
|--------|---|--|--------------------------|----------------------------------|--|---|-------------------|--|--|-------------------------|
| | | | State | District | | | | | Name | CSR Registration Number |
| 18 | Technology for the early detection of cancer from blood sample using SERS (Surface Enhanced Raman Spectroscopy) and artificial intelligence - a novel technique. | Healthcare | Kerala | Trivandrum | 73.44 | - | SDG 3 | No | Council of Scientific and Industrial Research (CSIR) - National Institute For Interdisciplinary Science and Technology (NIIST) | CSR00017422 |
| 19 | R2D2 Project | Healthcare | Tamil Nadu | Chennai | 110.00 | - | SDG 3 & 10 | No | Indian Institute of Technology - Madras (IIT - Madras) | CSR00004320 |
| 20 | Strengthening Early Identification of Disability at Primary Healthcare Level in 3 Districts of Karnataka. No. of beneficiaries addressed - 250 | Healthcare | Karnataka | Banglore, Chamarajnaraga, Tumkur | 10.35 | - | SDG 2 & 10 | No | Mobility India | CSR00005786 |
| 21 | Purchase of medical equipment for advanced maternity ward, HDU and neonatal ICU in a tribal hospital in Attappady, Palakkad, Kerala to increase the inpatient capacity by 25 more beds. | Healthcare | Kerala | Attappady | 62.50 | - | SDG 3 | No | Swami Vivekananda Medical Mission | CSR00002488 |
| 22 | Tata Winger - Palliative Home Care. No. of beneficiaries - 1440 | Healthcare | Kerala | Trivandrum | 16.32 | - | SDG 3 | No | Pallium India | CSR00003852 |
| 23 | Distribution of Essential Items to an orphanage | Healthcare | Karnataka | Bangalore | 0.19 | - | SDG 1 | Yes | Direct | - |
| 24 | Home for physically disabled Women - Donation of support / clinical equipment | Healthcare | Kerala | Trivandrum | 0.34 | - | SDG 3 | Yes | Direct | - |

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

| Sl. No | Name of the project | Item from the list of activities in Schedule VII to the Act. | Location of the project. | | Amount spent in the current financial Year (in lakhs). | Amount transferred to Unspent CSR Account for the project as per Sec 135(6) (in lakhs). | SDG areas covered | Mode of Implementation - (Direct) (Yes/No) | Mode of Implementation - if through Implementing Agency | |
|------------------|--|--|--------------------------|------------|--|---|-------------------|--|--|-------------------------|
| | | | State | District | | | | | Name | CSR Registration Number |
| 25 | Coffee Plantation and Allied Agriculture Activities for Sustainable Livelihoods Development. No. of beneficiaries addressed - 1500 | Environment | Karnataka | Kodagu | 110.87 | 22.85 | SDG 1, 2 & 8 | No | BAIF | CSR00000259 |
| 26 | Kannamangala Lake restoration and rejuvenation. No. of indirect beneficiaries - 10000 | Environment | Karnataka | Bangalore | 10.73 | 10.00 | SDG 6 & 13 | No | Ashoka Trust for Research in Ecology and the Environment | CSR00004694 |
| 27 | Creating an Eco campus | Environment | Kerala | Trivandrum | 4.95 | - | SDG 13 | No | Council of Scientific and Industrial Research (CSIR) - National Institute For Interdisciplinary Science and Technology (NIIST) | CSR00017422 |
| SUM TOTAL | | | | | 738.00 | 117.34 | | | | |



Annexure “C” 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 2022-23.

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

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

- (a) Name(s) of the related party and nature of relationship: Jaguar Land Rover Limited
- (b) Nature of contracts/arrangements/transactions: Contract/agreement to provide design, technology and engineering services, including advanced R&D.
- (c) Duration of the contracts/arrangements/transactions: Ongoing, multi year engagements.
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Tata Elxsi provides niche product design expertise and engineering services in the areas of mechanical, electronics and software development and complete vehicle program management for Jaguar Land Rover Limited.
- (e) The total value of transactions during 2022-23 is ₹391.75 crores.
- (f) Date(s) of approval by the Board, if any: April 22, 2021, and December 17, 2021

The Company had sought the approval of shareholders at the 32nd AGM for transactions with Jaguar Land Rover Limited, up to a maximum aggregate value of ₹250 crores per year, for each of the financial years 2021-22 and 2022-23. Further, the limits as approved in the 32nd AGM were revised vide approval granted by the Members through postal ballot on February 26, 2022, from ₹250 crores per annum for each of the financial years 2021-22 and 2022-23, to up to a maximum aggregate value of ₹325 crores per annum for the financial year 2021-22 and ₹450 crores per annum for the financial year 2022-23 for related party transactions with Jaguar Land Rover Limited.

- (g) Amount paid as advances, if any: None

For and on behalf of the Board

N. G. Subramaniam
Chairman

Bengaluru, May 18 , 2023



ANNEXURE “D” to DIRECTORS’ REPORT

Form No. MR - 3

SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2023

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

TO THE MEMBERS OF TATA ELXSI LIMITED

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

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit and as per the explanations and clarifications given to us and the representations made by the Management, and considering the relaxation granted by Ministry of Corporate Affairs and the Securities and Exchange Board of India due to COVID 19, we, hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter: We have examined the books, papers, minutes’ books, forms and returns filed and other records made available to us and maintained by Tata Elxsi Limited for the financial year ended on March 31, 2023 according to the applicable provisions of:

- (i) The Companies Act, 2013 (“the Act”) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (“SCRA”) and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (“SEBI Act”): -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - (c) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
 - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
 - (e) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
 - (f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (No events during the audit period)



Annexure “D” to Directors’ Report (Contd.)

- (g) The Securities and Exchange Board of India (Issue of Listing of debt securities) Regulations, 2008 (No events during the audit period)
- (h) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (No events during the audit period)
- (i) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client. (No events during the audit period)
- (j) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (No events during the audit period)
- (k) The Securities and Exchange Board of India (Buy back of securities) Regulations, 2018. (No events during the audit period)
- (vi) Other Laws as informed and certified by the Management of the Company which are specifically applicable to the Company based on their sector/industry are:
 - (a) The Information Technology Act, 2000 and the Rules made thereunder.
 - (b) Policy relating to the Software Technology Park of India and its regulations
 - (c) The Indian Copyright Act, 1957
 - (d) The Patents Act, 1970
 - (e) The Trade Marks Act, 1999
 - (f) The Special Economic Zone Act, 2005 & the rules made thereunder.

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

- i. Secretarial Standards issued by The Institute of Company Secretary of India with respect to Board and General meetings.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review. Mr. Manoj Raghavan was re-appointed as Managing Director and CEO in compliance with the provisions of Company Act 2013 read with rules made thereunder.

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

As per the Minutes, all the decisions at the Board Meetings and Committee meetings are carried out unanimously.

We further report that based on the compliance mechanism established by the Company, and on the basis of Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s) we are of the opinion that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Annexure “D” to Directors’ Report (Contd.)

We further report that during the review period, the following major events which had bearing on the Company’s affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards etc.

- a) The Members of the Company, have on March 04, 2023, approved the adoption of ‘**Tata Elxsi Limited- Performance Stock Option Plan- 2023**’ (“**Plan**” or “**PSOP- 2023**”) vide Special Resolution passed through Postal Ballot by means of remote e voting.

Place: Bangalore
Date: May 18, 2023

For Jayashree Parthasarathy & Co.
Company Secretaries

Jayashree Parthasarathy
FCS No 4610; CP NO. 1988
UDIN: F0004610E000327383
Peer Review No. 2603/2022

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 “D” to Directors’ Report (Contd.)

ANNEXURE A

TO

THE MEMBERS OF TATA ELXSI LIMITED

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

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

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

For Jayashree Parthasarathy & Co.
Company Secretaries

Jayashree Parthasarathy

FCS No 4610; CP NO. 1988

Place: Bangalore

UDIN: F0004610E000327383

Date: May 18, 2023

Peer Review No. 2603/2022

Certificate of Non-Disqualification of Directors

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

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

We have examined the following documents:

1. Declaration of non-disqualification as required under Section 164 of the companies Act 2013,
2. Disclosure of concern of interest as required under Section 184 of the Act. (hereinafter referred to as relevant documents)

as received from the Directors of **Tata Elxsi Limited** bearing CIN-L85110KA1989PLC009968, having its registered office at ITPB Road, Whitefield, Bangalore - 560048 (hereinafter referred to as 'the Company'), and the relevant registers, records, forms, and returns maintained by the Company and made available to us by the Company for the purpose of issuing this certificate in accordance with Regulation 34(3) read with Schedule V Part C Clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Based on the examination as aforesaid, and such other verification carried out by us as deemed necessary and adequate [including Director Identification Number (DIN)] status of the respective directors at the portal www.mca.gov.in. In our opinion and best of our belief, information and knowledge and according to the explanations provided by the Company, its officers and authorised representatives and written representation made by the respective Directors, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as the Director of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other statutory authority.

| Sl. no | Name of the Director | DIN | Date of appointment* | Date of cessation |
|--------|-----------------------------|----------|----------------------|-------------------|
| 1. | Mr. N Ganapathy Subramaniam | 07006215 | November 01, 2014 | Nil |
| 2. | Mrs. Shyamala Gopinath | 02362921 | August 18, 2011 | Nil |
| 3. | Mr. Sudhakar Rao | 00267211 | August 01, 2016 | Nil |
| 4. | Mr. Ankur Verma | 07972892 | August 01, 2018 | Nil |
| 5. | Mr. Raghavan Manoj | 08458315 | October 02, 2019 | Nil |
| 6. | Mr. Anurag Kumar | 03403112 | November 15, 2020 | Nil |

*Date of appointment is as per MCA portal

Ensuring the eligibility for the appointment/ continuity as the Director of the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion based on our verification and representation made by the respective Directors.

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

For Jayashree Parthasarathy & Co.
 Company Secretaries

Jayashree Parthasarathy

FCS No 4610; CP NO. 1988

UIN No. F004610E000327427

Peer Review No. 2603/2022

Place: Bengaluru
 Date: 18-05-2023



Compliance Report on Corporate Governance

1. A BRIEF STATEMENT ON THE COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

The Corporate Governance philosophy of your Company is based on the tenets of integrity, accountability, transparency, value and ethics. 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 practices policies. The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regard to Corporate Governance.

2. BOARD OF DIRECTORS OF TATA ELXSI LIMITED

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, 2023, the Board of Directors of the Company comprised of Six Directors, with Three (3) Independent Directors, Two (2) Non-Independent Directors and One (1) Managing Director. 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, 2023 is detailed below:

i. Mr. N.G. Subramaniam (DIN: 07006215) Chairman, Non-Executive, Non-Independent

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

The details of directorship of Mr. N.G. Subramaniam in other listed companies as on March 31, 2023 is as under:

| Sl. no. | Name of the listed entity | Category of Directorship |
|---------|-----------------------------------|--|
| 1. | Tata Consultancy Services Limited | Wholetime Director [Executive Director] |
| 2. | Tata Communications Limited | Non-Executive Non-Independent Director |
| 3. | Tejas Networks Limited | Non-Executive Non-Independent Director [Chairperson] |

Compliance Report on Corporate Governance (Contd.)

**ii. Mrs. Shyamala Gopinath (DIN: 02362921)
Non-Executive, Independent, Women Director**

Mrs. Shyamala Gopinath has vast experience in guiding and influencing the national policies in diverse areas of financial sector regulation and supervision, development and regulation of financial markets, capital account management, management of government borrowings, forex reserves management, RBI accounts, and payment and settlement systems. Mrs. Gopinath holds a Master of Commerce degree and is a Certified Associate of 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 of Mrs. Shyamala Gopinath in other listed companies as on March 31, 2023 is as under:

| S. no. | Name of the listed entity | Category of Directorship |
|--------|-----------------------------------|--|
| 1. | Colgate-Palmolive (India) Limited | Non-Executive Independent Director |
| 2. | BASF India Limited | Non-Executive Independent Director |
| 3. | CMS Info Systems Limited | Non-Executive Non-Independent Director [Chairperson] |
| 4. | CRISIL Limited | Non-Executive Independent Director |

**iii. Mr. Sudhakar Rao (DIN: 00267211)
Non-Executive, Independent Director**

Mr. Sudhakar Rao is a retired Indian Administrative Service ('IAS') Officer of the 1973 batch. He held various positions including Chairman & Managing Director of the Karnataka Urban Infrastructure Development and Finance Corporation

(KUIDFC); Principal Secretary - Finance; Principal Secretary - Home; Principal Secretary to the Chief Minister of Karnataka; Development Commissioner and was the Chief Secretary of Karnataka until his super-annuation from government service on September 30, 2009. Mr. Rao holds a Master's Degree in Economics from the Delhi School of Economics and a Master's Degree in Public Administration from the Kennedy School of Government, Harvard University.

He was conferred with the Kannada Rajyotsava Award, under the Public Service category by the Government of Karnataka on November 01, 2010. Mr. Rao held directorships in listed and unlisted companies of good repute in the market. In the past, he held directorships in Indian Oil Corporation Limited, United Spirits Limited, Healthcare Global Enterprises Limited, BSE Limited etc.

As on March 31, 2023, Mr. Sudhakar Rao does not hold any directorship in any other listed company.

**iv. Prof. Anurag Kumar (DIN: 03403112)
Non-Executive, Independent Director**

Prof. Anurag Kumar, B.Tech (1977) IIT Kanpur, PhD (1981) Cornell Univ., was a Member of Technical Staff in AT&T Bell Laboratories (1981-1988), before returning to India and joining the Indian Institute of Science (IISc) as a faculty member in the ECE Department. He became a Professor in 1996, and held the position as Director of IISc during 2014-2020. He has published 200 peer reviewed papers in journals and conferences, in the area of communications networking and distributed systems.

He has consulted for government and private organisations, and has mentored a networking start-up from its early years to a being a global footprint. He has led the



Compliance Report on Corporate Governance (Contd.)

authorship of two major books that have been used around the world. He was the 1977 President’s Gold Medallist in IIT Kanpur. He has been elected Fellow of the IEEE, the Indian National Science Academy (INSA), the Indian National Academy of Engineering (INAE), the Indian Academy of Science (IASc), and The World Academy of Sciences (TWAS). He received the 2015 Vasvik Award for Information Technology, and the 2017 IEI-IEEE Award for Engineering Excellence. He is a recipient of the J.C. Bose National Fellowship, awarded by the Department of Science Technology, for the period 2011-2021. As on March 31, 2023, Prof. Anurag Kumar does not hold any directorship in any other listed company.

v. **Mr. Ankur Verma (DIN: 07972892)**

Non-Executive, Non-Independent Director

Mr. Ankur Verma, a B.E. in Mechanical Engineering and PGDM from IIM, Calcutta, has around 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 directorship of Mr. Ankur Verma in other listed companies as on March 31, 2023 is as under:

| S. no. | Name of the listed entity | Category of Directorship |
|--------|---|--|
| 1. | Tata Teleservices (Maharashtra) Limited | Non-Executive Non-Independent Director |

vi. **Mr. Manoj Raghavan (DIN: 08458315)**
Managing Director

Mr. Manoj Raghavan is the Managing Director (‘MD’) and Chief Executive Officer (‘CEO’) of Tata Elxsi Limited and has over 26+ years of industry experience. Prior to taking over the role of MD & CEO, he served as the Executive Vice President and Head of the Embedded Product Design (EPD) division, spearheading the sales, overall delivery and P&L for this division.

He joined Tata Elxsi Limited in 1997 as Regional Manager to set up and grow Japan operations. Subsequently, he was also responsible for developing the business in South Korea, Taiwan, Singapore and China.

Manoj Raghavan holds a B.Tech from IIT Madras, an MBA from The Indian Institute of Foreign Trade, New Delhi and has completed the Advanced Management Programme from Harvard Business School.

As on March 31, 2023, Mr. Manoj Raghavan does not hold directorships in any other listed entity.

None of the Non-Executive Directors hold any shares and/or convertible instruments in the Company as at March 31, 2023.

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.

The composition of the Board of the Company is in compliance with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Companies Act, 2013.

Core Competencies of the Board Members

Tata Elxsi provides design and technology services for product engineering and solutions to select industries namely Automotive, Broadcast, Communications and Medical Electronics.

Compliance Report on Corporate Governance (Contd.)

The Board has, taking into consideration the Company's nature of business, core competencies, key characteristics, identified the following core skills/expertise/competencies as required in the context of its business(es) & sector(s) for it to function effectively and which are available with the Board.

The mapping of the same with each of the Directors are as below:

| Skills/expertise/competencies | N.G. Subramaniam | S. Gopinath | Sudhakar Rao | Prof. Anurag Kumar | Ankur Verma | Manoj Raghavan |
|--|------------------|-------------|--------------|--------------------|-------------|----------------|
| Understanding of IT services business | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Knowledge on key industry and technology trends | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| International business management and familiarity with global policies and regulations | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Corporate Strategy | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Risk management | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Financial management | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Governance and Compliance | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Stakeholders management | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Performance management and evaluation | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

As part of its statutory function under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), at the time of recommendation of a candidature for position of Director, the Nomination and Remuneration Committee of the Board in relation to the prospective appointee, evaluates his/her skills, experience and knowledge vis-à-vis the industry in which the Company operates in, so as to ensure that the Board is well-balanced with right blend of skills.

Independent Directors

As on March 31, 2023, the Board of Tata Elxsi Limited comprised of Three (3) Independent Directors, who in the opinion of the Board, fulfill the requirements as stipulated under Section 149 of the Companies Act, 2013 and the provisions of SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015 and are independent of the management. The necessary declarations from Independent Directors affirming that they meet the criteria of independence as required under Section 149(7) of the Companies Act, 2013 and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are obtained. The Company and the Independent Directors abide by the code of conduct adopted by the Company and as laid out under Schedule IV of Companies Act, 2013.

Meeting of Independent Directors

A separate meeting of Independent Directors during the financial year 2022-23, as per Clause VII(1) of Schedule IV under Section 149(8) of the Companies Act, 2013 and Regulation 25(3) of the SEBI Listing Regulations was held on Monday, April 18, 2022, without the participation of the



Compliance Report on Corporate Governance (Contd.)

Non-Independent Directors and management members, wherein the Independent Directors reviewed:

- the performance of the Managing Director, Non-Independent Directors and the Board as a whole;
- the performance of the Chairperson of the Company based on the views received from Directors of the Company; and
- the flow of information between Company management and the Board in terms of quality, timeliness and quantity, in order to ensure that the Board discharges its duty effectively.

Familiarisation for Independent Directors

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 the Managing Director of the Company, brief the Director individually on the industry and business(es) of the Company. 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 FY 2022-23, the Annual Business

Plan meeting was held on Friday, December 16, 2022, 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 details relating to familiarisation programmes to Directors is available on the website of the Company at <https://www.tataelxsi.com/investors/policies-and-disclosures>.

Details regarding Board Meetings

During FY 2022-23, Five (5) Board meetings were held and the gap between any two consecutive meetings did not exceed the prescribed time under the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations. The necessary quorum was present at each of the meetings. During FY 2022-23, the Board meetings were held on April 20, 2022; July 14, 2022; October 14, 2022; December 16, 2022 and January 25, 2023.

Compliance Report on Corporate Governance (Contd.)

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 FY 2022-23 | Whether attended AGM held on June 23, 2022 | 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 | 4 | Yes | 1 | - | 2 | - |
| Mrs. Shyamala Gopinath [DIN: 02362921] | Independent/ Non-Executive | 5 | Yes | 1 | 3 | 5 | 2 |
| Mr. Sudhakar Rao [DIN: 00267211] | Independent/ Non-Executive | 5 | Yes | - | 2 | 2 | - |
| Dr. Anurag Kumar [DIN: 03403112] | Independent/ Non-Executive | 5 | Yes | - | - | - | - |
| Mr. Ankur Verma [DIN: 07972892] | Non Independent/ Non-Executive | 5 | Yes | - | - | 6 | 5 |
| Mr. Manoj Raghavan [DIN: 08458315] | Non Independent/ Managing Director | 5 | Yes | - | - | - | - |

* Only Audit and Stakeholders' Relationship Committees are considered.

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

None of the Non-Executive Directors hold any shares and/or convertible instruments in the Company as at March 31, 2023.

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 Audit Committee comprises of three (3) Members, with two Members as Independent Directors. The Chairperson of the Committee is Mrs. Shyamala Gopinath and is an Independent Director.

The constitution of Audit Committee is in compliance 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.

Ms. Cauveri Sriram, Company Secretary acts as the Secretary of the Audit Committee.

During FY 2022-23, Six (6) meetings of the Audit Committee were conducted. The meetings were held on April 20, 2022, July 14, 2022, August 04, 2022, October 14, 2022 and two meetings on January 25, 2023.



Compliance Report on Corporate Governance (Contd.)

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

| S.no. | Name of the Members | Category of Directorship | Number of meetings attended during FY 2022-23 |
|-------|-------------------------------------|--|---|
| 1. | Mrs. Shyamala Gopinath, Chairperson | Non-Executive Independent Director | 6 |
| 2. | Mr. Sudhakar Rao | Non-Executive Independent Director | 6 |
| 3. | Mr. Ankur Verma | Non-Executive Non-Independent Director | 6 |

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

Terms of reference

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:

- i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- iv. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 1. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
 2. Changes, if any, in accounting policies and practices and reasons for the same.
 3. Major accounting entries involving estimates based on the exercise of judgment by management.
 4. Significant adjustments made in the financial statements arising out of audit findings.
 5. Compliance with listing and other legal requirements relating to financial statements.
 6. Disclosure of any related party transactions.
 7. Qualifications in the draft audit report, if any.
- v. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- vi. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- vii. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- viii. Approval or any subsequent modification of transactions of the company with related parties;

Compliance Report on Corporate Governance (Contd.)

- ix. Scrutiny of inter-corporate loans and investments;
- x. Valuation of undertakings or assets of the Company, wherever it is necessary;
- xi. Evaluation of internal financial controls and risk management systems;
- xii. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- xiv. Discussion with internal auditors of any significant findings and follow up there on;
- xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- xvi. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- xvii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xviii. To review the functioning of the Whistle Blower mechanism;
- xix. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- xx. Reviewing the utilisation of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing;
- xxi. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
- xxii. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Mandatory review of information by Audit Committee

The Audit Committee reviews the following information:

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



Compliance Report on Corporate Governance (Contd.)

- b) annual statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulation 32(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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.

Related Party Transactions

As a part of the mandate under the SEBI Listing Regulations and the terms of reference, the Audit Committee undertakes quarterly review of related party transactions entered into by the Company with its related parties. Pursuant to Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013,

the Audit Committee has granted omnibus approval in respect of transactions which are repetitive in nature, which may or may not be foreseen, not exceeding the limits specified thereunder. The transactions under the purview of omnibus approval are reviewed on quarterly basis by the Audit Committee.

Pursuant to Regulation 23 of the Listing Regulations, only the Independent Directors of the Committee participate and vote in respect of related party transactions.

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

4. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprise of Three (3) Members, out of whom two Members are Independent Directors. The constitution of Nomination & Remuneration Committee is in compliance with the requirements of Section 178 of the Companies Act, 2013 and also as per the requirements of Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During FY 2022-23, Five (5) meetings of the Committee were conducted. The meetings were conducted on April 20, 2022, July 14, 2022, October 06, 2022, December 16, 2022 and January 21, 2023.

Compliance Report on Corporate Governance (Contd.)

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

| S.no. | Name of Members | Category of Directorship | No. of Meetings attended during FY 2022-23 |
|-------|-------------------------------------|--|--|
| 1. | Mrs. Shyamala Gopinath, Chairperson | Non-Executive Independent Director | 5 |
| 2. | Mr. N.G. Subramaniam | Non-Executive Non-Independent Director | 5 |
| 3. | Mr. Sudhakar Rao | Non-Executive Independent Director | 5 |

The quorum as required under Regulation 19(2A) of the Listing Regulations was maintained at all the meetings.

Terms of reference

The terms of reference of the Nomination and Remuneration Committee are as under:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
5. Board composition and succession planning, evaluation of every Director;
6. To recommend remuneration policy for the directors, KMP, executives and other employees of the Company;
7. To oversee familiarisation programme for Directors, review of HR strategy, philosophy and practices and any other activities related to change as requested by the Board from time to time;
8. Oversee the implementation of the share-based employee benefits scheme by whatever name called as per SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, within the terms and conditions of the said Plan(s); and perform the function of overall superintendence of the scheme(s);
9. To review the Company's share-based incentive-based plans and recommend changes as necessary, oversee administration of these plans, grant incentives to eligible employees, in consultation with management, and allot shares when options are exercised;
10. Any other matter as deemed necessary or incidental for the purpose of administration of the share based incentive Scheme.

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

The Board at its meeting held on January 25, 2023, based on the recommendation of the Nomination and Remuneration Committee accorded its approval to amend the charter to the extent of incorporating clauses pertaining to formulation and implementation of share based incentive schemes to the Directors, KMP and employees of the Company. The criteria for making payments to Non-Executive Directors forms part of the NRC Charter which is available on the website of the Company at <https://www.tataelxsi.com/investors/policies-and-disclosures>.



Compliance Report on Corporate Governance (Contd.)

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 FY 2022-23.

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.

Details of remuneration paid/payable for the year ended March 31, 2023

Non-Executive Directors (NEDs):

(in ₹)

| S.no. | Name of the Directors | Sitting fees | Commission* |
|-------|------------------------|--------------|-------------|
| 1. | Mr. N.G. Subramaniam | 325,000 | - |
| 2. | Mrs. Shyamala Gopinath | 610,000 | 19,200,000 |
| 3. | Mr. Sudhakar Rao | 665,000 | 18,700,000 |
| 4. | Prof. Anurag Kumar | 445,000 | 15,100,000 |
| 5. | Mr. Ankur Verma | 485,000 | - |

*The Commission for FY 2022-23 shall be paid subject to the approval of the annual audited accounts by the shareholders at the ensuing 34th Annual General Meeting.

Managing Director:

(in ₹)

| | Salary | Commission | Contribution to Provident & other Funds | Other Allowances & Perquisites | Total |
|--------------------|-------------|-------------|---|--------------------------------|-------------|
| Mr. Manoj Raghavan | 2,15,95,620 | 5,20,00,000 | 28,24,908 | 40,70,688 | 8,04,91,216 |

The Board on the recommendation of the Nomination and Remuneration Committee adopted the Remuneration policy for Directors, Key Managerial Personnel (KMP) and other employees of the Company. The Board has also adopted a policy on Board diversity. The said policies are available at the website of the Company at <https://www.tataelxsi.com/investors/policies-and-disclosures>.

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee comprises of three (3) Members, out of whom two Members are Independent Directors. The Chairman of the Committee is an Independent Director. The constitution of Stakeholders' Relationship Committee is in compliance with the requirements of Section 178 of the Companies Act, 2013 and also as per the requirements of Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During FY 2022-23, two (2) meetings of the Committee were held on April 20, 2022 & October 14, 2022. The necessary quorum was present for each of the meetings.

Compliance Report on Corporate Governance (Contd.)

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

| S.no. | Name of Members | Category of Directorship | No. of Meetings attended during FY 2022-23 |
|-------|----------------------------|------------------------------------|--|
| 1. | Mr. Sudhakar Rao, Chairman | Non-Executive Independent Director | 2 |
| 2. | Prof. Anurag Kumar | Non-Executive Independent Director | 2 |
| 3. | Mr. Manoj Raghavan | Managing Director | 2 |

Terms of reference

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

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
5. Oversight of the implementation of the ESG initiatives.
6. Approval of all relevant policies under ESG;
7. Any other terms that may be assigned by the Board time to time.

Name and Designation of Compliance Officer

| | | |
|------------------------|--|--|
| Name | Ms. Cauveri Sriram | |
| Designation | Company Secretary and Compliance Officer | |
| Contact details | Address | ITPB Road, Whitefield, Bengaluru - 560048. |
| | Phone | +91-80-22979316 |
| | Fax | +91-80-28411474 |
| | E-mail | investors@tataelxsi.com |

Number of investor compliants received and redressed during FY 2022-23:

| Opening Balance as on April 01, 2022 | Received during the year | Resolved during the year | Closing balance as on March 31, 2023 |
|--------------------------------------|--------------------------|--------------------------|--------------------------------------|
| 0 | 63 | 60 | 3 |

Registrar and Share Transfer Agent ('RTA')

Pursuant to Regulation 7 of the SEBI Listing Regulations, the Company has engaged the services of M/s. TSR Consultants Private Limited for the purpose of share transfer facility and for the purpose of dealing and processing investor services requests. The contact details of the RTA are given below:



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| | | |
|-----------------|---|--|
| Name | M/s. TSR Consultants Private Limited | |
| Contact details | Address | C-101, 1 st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400 083. |
| | Phone | +91 8108118484 |
| | Fax | +91 22 6656 8494 |
| | E-mail | csg-unit@tcplindia.co.in |
| | Web address | www.tcplindia.co.in |

6. RISK MANAGEMENT COMMITTEE

The Risk Management Committee comprises of three (3) Members, out of whom two Members form part of the Board of Directors of the Company. The constitution of Risk Management Committee is in compliance with the requirements of Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Risk Management Committee is responsible to provide oversight in achieving the Company’s Enterprise Risk Management (ERM) objectives. The ERM helps these objectives by creating a comprehensive approach to anticipate, identify, prioritise and manage material risks attached to the Company’s operations. The primary responsibility of the Committee is to ensure that sound policies, procedures and practices are in place for the enterprise-wide management of the Company’s material risks and to report the results of the Committee’s activities to the Company’s Audit Committee.

During FY 2022-23, Three (3) meetings of the Committee were conducted. The meetings were held on April 18, 2022, October 03, 2022 and March 09, 2023. The necessary quorum was present for each of the meetings.

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

| S.no. | Name of the Members | Category of Directorship | Number of meetings attended during FY 2022-23 |
|-------|------------------------------|--|---|
| 1. | Prof. Anurag Kumar, Chairman | Non-Executive Independent Director | 3 |
| 2. | Mr. N.G. Subramaniam | Non-Executive Non-Independent Director | 0 |
| 3. | Mr. Gaurav Bajaj | Chief Financial Officer | 3 |

Terms of reference

The terms of reference of the Risk Management Committee, as adopted by the Board of Directors of the Company, 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.

Compliance Report on Corporate Governance (Contd.)

- 7. Review & report to the Company’s Audit Committee/Board.
- 8. Review and monitor Cyber security measures.

7. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The constitution of CSR Committee is in compliance with the requirements of Section 135 of the Companies Act, 2013.

The Corporate Social Responsibility Committee comprises of Three (3) Members, out of whom two Members are Independent Directors.

During FY 2022-23, Three (3) meetings of the Committee were conducted. The meetings were held on April 18, 2022, August 04, 2022 and March 15, 2023. The necessary quorum was present for each of the meetings.

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

| S.no. | Name of Members | Category of Directorship | No. of Meetings attended during FY 2022-23 |
|-------|----------------------------|------------------------------------|--|
| 1 | Mr. Sudhakar Rao, Chairman | Non-Executive Independent Director | 3 |
| 2 | Mrs. Shyamala Gopinath | Non-Executive Independent Director | 3 |
| 3 | Mr. Manoj Raghavan | Managing Director | 3 |

In terms of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014 (as amended from time to time), the CSR Committee is responsible for inter alia:

- formulation and recommendation of the CSR Annual Action plan for every financial year;
- recommendation of the CSR expenditure to be incurred in respect of each financial year;
- recommending the implementation of CSR projects through the Annual Action Plan and the CSR Policy;
- monitoring the CSR expenditure for each financial year; and
- the formulation and recommending changes to CSR Policy adopted by the Company, whenever deemed fit.

The Company has adopted a Corporate Social Responsibility Policy in line with the requirements under Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014 (as amended), pursuant to which the CSR activities are implemented and monitored. The Policy is available on the website of the Company at <https://www.tataelxi.com/investors/policies-and-disclosures>.

8. ETHICS COMMITTEE

The Company has constituted an Ethics Committee comprising of the Board Members. The Committee comprise of Prof. Anurag Kumar as the Chairman and Mr. Manoj Raghavan as its other Member. During FY 2022-23, One (1) meeting of the Committee was conducted. The meeting was conducted on March 21, 2023 wherein both the Members attended the meeting. The terms of the Ethics Committee are inter alia to upload ethical practices across the Company and to oversee adherence to the Code of Conduct adopted by the Company.

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



Compliance Report on Corporate Governance (Contd.)

9. GENERAL BODY MEETINGS

Details of last Three Annual General Meetings:

| Financial year | Date of the AGM | Time of the AGM (I.S.T.) | Location of the AGM |
|----------------|-----------------|--------------------------|--|
| 2021-22 | June 23, 2022 | 02:30 p.m. | Video Conferencing / Other Audio Visual means |
| 2020-21 | June 25, 2021 | 02:30 p.m. | |
| 2019-20 | July 21, 2020 | 12:30 p.m. | |

The date, location, time and details of special resolution(s) passed in the last three (3) Annual General Meetings of Tata Elxsi Limited is tabulated hereinbelow:

| Financial year | Date of the AGM | Special Resolutions passed in the AGM |
|----------------|-----------------|---|
| 2021-22 | June 23, 2022 | No special resolutions passed. |
| 2020-21 | June 25, 2021 | Re-appointment of Mr. Sudhakar Rao (DIN: 00267211) as an Independent Director |
| 2019-20 | July 21, 2020 | No special resolutions passed. |

Extraordinary General Meeting:

No Extraordinary General Meeting of the Members was held during FY 2022-23.

Details of special resolution passed through Postal Ballot during FY 2022-23

During FY 2022-23, the Company sought approval of Members for adoption of Tata Elxsi Limited Performance Stock Option Plan 2023, by the way of Postal Ballot through remote e-voting mode.

The Board of Directors had appointed Mr. V Madan, Practicing Company Secretary (CP 21778) who is not in the employment of the Company, as the Scrutiniser for conducting the Postal Ballot through the remote e-voting process and scrutinising the votes casted therein, in a fair and transparent manner. The voting pattern in respect of resolution passed through Postal Ballot is provided hereinbelow:

| Number of members voted / Total number of votes (shares) cast | No. of votes in favour | No. of votes against | No. of invalid votes |
|---|------------------------|----------------------|----------------------|
| 34749896 | 30179523 | 4570373 | 0 |
| | 86.85 | 13.15 | 0.00 |

Procedure adopted and followed in respect of the Postal Ballot exercise

The Company has conducted the Postal Ballot exercise in compliance with General Circular Nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 10/2021 dated June 23, 2021, 03/2022 dated May 05, 2022, 11/2022 dated December 28, 2022 and other relevant circulars and notifications issued by the Ministry of Corporate Affairs and the provisions of Section 108 and 110 of the Companies Act, 2013 read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 (“the Rules”), other applicable provisions of the Act and the Rules and other applicable laws, rules and regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force and as amended from time to time).

In this regard, Postal Ballot Notice dated January 25, 2023, was dispatched electronically to those Members who held shares as on Cut-Off date viz. January 20, 2023, and who had their e-mail addresses registered with the Company / TSR Consultants Private Limited, the Registrar and Share Transfer Agent of the Company.

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The remote e-voting period commenced on Friday, February 03, 2023, at 9.00 a.m. (IST) and concluded on Saturday, March 04, 2023, at 5:00 p.m. (IST). The results of Postal Ballot were announced on Monday, March 06, 2023. The Company had also published public notice(s) in newspapers intimating the manner of registration of e-mail address for receiving the Postal Ballot Notice and providing the necessary details regarding Postal Ballot exercise including the relevant dates pertaining to dispatch of Postal Ballot Notice, voting and results. The voting rights were reckoned on the paid-up value of the shares registered in the names of the Members as on the Cut-Off date. In compliance with the provisions of Sections 108 and 110 of the Act and Rule 20 and 22 of the Rules read with Regulation 44 of the SEBI Listing Regulations, the Company had provided the facility of remote e-voting to its Members to enable them to cast their vote electronically.

Upon completion of scrutiny of the votes cast through remote e-voting in a fair and transparent manner, Mr. Madan V, Scrutiniser, submitted his report on the outcome of the Postal Ballot to the Company and the results of the postal ballot were announced by the Company on Monday, March 06, 2023. The voting results were communicated to the Stock Exchanges and also displayed on the Company's website www.tataelxsi.com and on the website of National Securities Depository Limited www.evoting.nsdl.com.

10. OTHER DISCLOSURES

- There were no Related Party Transactions during the financial year that have potential conflict with the interests of the Company at large. Transactions entered into with related parties during the financial year were in the ordinary course of business and at arms' length basis and were approved by the Audit Committee. The material related party transaction(s) during the year, were approved by the shareholders in terms of Section 188 of the Companies Act, 2013 read with applicable rules made thereunder and Regulation 23 of the SEBI Listing Regulations. The details of related party transactions for FY 2022-23 are disclosed in the Directors' Report and the Notes to the Standalone Financial Statements for the financial year ended March 31, 2023, forming part of the Annual Report. Further, the Company has formulated and adopted a policy on dealing with related party transactions, in line with Regulation 23 of the SEBI Listing Regulations, which is available on the website of the Company at <https://www.tataelxsi.com/investors/policies-and-disclosures>.
- There are no instances of non-compliance by the Company during the year and no penalties, or strictures imposed on the 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:
 - For employees to report concerns about unethical behaviour;
 - To establish a mechanism to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the integrity policy;



Compliance Report on Corporate Governance (Contd.)

- The disclosure reported are addressed in the manner and within the time frames prescribed in the policy; and
- To ensure that adequate safeguards are being provided to the Whistle blower against any victimisation or vindictive practices like retaliation, threat or any adverse (direct or indirect) action on their employment.

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

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

- Your Company has comprehensive guidelines on Prohibition of Insider Trading and the Company has adopted the Tata Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices along with the Policy on Leak of Unpublished Price Sensitive Information and Policy on determination of legitimate purpose, as mandated by SEBI. The policies are available at <https://www.tataelxsi.com/investors/policies-and-disclosures>.
- The Company has formulated a policy on determination of materiality of event / information as required under Regulation 30(1) of SEBI Listing Regulations, 2015. The same is available on Company's website at <https://www.tataelxsi.com/investors/policies-and-disclosures>.
- The Company has complied with all mandatory requirements and has fulfilled the following discretionary requirements specified in Part E of Schedule II under Regulation 27(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:
 - a. The statutory financial statements of the Company are unqualified.
 - b. The Internal Auditors of the Company make presentations to the Audit Committee on their reports.
- Volatility of exchange rates is a risk to the Company which is mitigated by way of forex options and forward covers in terms of the Forex Policy as approved by the Board.
- The Company has does not have any subsidiary as on March 31, 2023 and hence, there was no requirement to identify material subsidiary and formulate a policy thereof.
- None of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board / Ministry of Corporate Affairs or any such statutory authority. A certificate in this regard from Ms. Jayashree Parthasarathy, Practicing Company Secretary is annexed to this Report.
- The Company has paid a consolidated amount of ₹94.75 lakhs as total fees for all services rendered by the Statutory Auditors and all entities in the network firm/network entity to which the statutory auditor is part.
- The Company has not advanced loans and advances to firms/companies in which Directors are interested.
- The policies adopted by the Company, as mandated by law including the Dividend Distribution Policy under Regulation 43A of SEBI Listing Regulations, are disseminated on the website of the Company at <https://www.tataelxsi.com/investors/policies-and-disclosures>.
- The Company adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and of complaints under the above Act.

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The Company has constituted an Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The reconciliation of complaints under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules framed thereunder is provided hereinbelow:

- a. The details of complaints received and disposed of during FY 2022-23 are as below:
- b. number of complaints filed during the financial year - 3
- c. number of complaints disposed of during the financial year - 3
- d. number of complaints pending as on end of the financial year - 0

11. MEANS OF COMMUNICATION

- The Company uses several modes for communicating with its external stakeholders, such as announcements and press releases in newspapers, circular letters and other reports to the members, posting information on its

website (www.tataelxsi.com), intimation to the Stock Exchanges, responding to analyst's queries etc.

- The quarterly, half-yearly and annual results are displayed on the Company's website www.tataelxsi.com and also disseminated through all the modes mentioned above. The quarterly results are also published in leading dailies such as Financial Express (English daily) and Sanjevani (vernacular daily).
- The Company's Management Discussion & Analysis of the Business for the year ended March 31, 2023 forms part of the Directors' Report and is given under the section so captioned.
- The transcripts and audio of the Company's investors/analysts conference calls are available at: <https://www.tataelxsi.com/investors>
- As at March 31, 2023, the Company has not issued any debt instruments. Consequently, there was no requirement to obtain / review / revise credit ratings from the credit rating agencies. and the reporting requirement vis-à-vis credit ratings does not arise.



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12. GENERAL SHAREHOLDERS INFORMATION:

| S.no. | Salient Items of Interest | Particulars |
|-------|---|--|
| i. | AGM Date, Time, and Venue | July 04, 2023, Tuesday at 2:30 pm (IST) through Video Conferencing (VC) or Other Audio Visual Means (OAVM) at Bangalore. |
| ii. | Financial Calendar | 2022-23 (April 01, 2022 to March 31, 2023) |
| iii. | Date of Book Closure | Friday, June 23, 2023, to Tuesday, July 04, 2023 |
| iv. | Dividend Payment Date | On or after the seventh day from the conclusion of the 34 th Annual General Meeting. Dividends are subject to TDS. Kindly visit www.tataelxsi.com for more details. |
| v. | Listing on Stock Exchanges | BSE Limited ('BSE') Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001, India Tel. : +91-22-22721234 Fax : +91-22-22722041 National Stock Exchange of India Limited ('NSE') Exchange Plaza Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051, India Tel. : +91-22-26598100 Fax : +91-22-26598237 The listing fee has been paid to BSE & NSE for FY 2022-23. |
| vi. | Stock Code | BSE Limited: 500408; National Stock Exchange Limited: TATAELXSI |
| vii. | Registrar & Share transfer Agent | TSR Consultants Private Limited, C-101, 1 st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai - 400 083. E-mail - csg-unit@tcplindia.co.in Web address - https://www.tcplindia.co.in/home.html |
| viii. | Share Transfer System | Pursuant to Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), the securities of Tata Elxsi Limited held in physical mode are not transferable, effective April 01, 2019. Further, the Securities and Exchange Board of India vide circular bearing ref. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, has mandated that, in respect of investor services including transmission, duplicate share certificate, transposition etc., the listed entity shall issue the securities in dematerialised mode only. In compliance with the above circular, no securities in physical mode are issued by the listed entity. The securities, however held in dematerialised mode, are freely transferable. The transfer through demat mode takes place instantaneously between the transferor, transferee, and the Depository Participant through electronic debit/credit of the accounts involved. |
| ix. | Dematerialisation of shares and liquidity | As on March 31, 2023, 60,880,229 equity shares were held in dematerialised mode representing 97.71% of paid-up capital of the Company. The Company's equity shares are actively traded on BSE and NSE. Further, the entire shareholding of promoters and promoter group members are held in dematerialised mode only. |

Compliance Report on Corporate Governance (Contd.)

| S.no. | Salient Items of Interest | Particulars |
|-------|---|---|
| x. | Outstanding GDRs /ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity | As on March 31, 2023, there are no outstanding ADR / GDR / Warrants or any convertible instruments and consequently it is disclosed that there would be no impact on account of the same. |
| xi | Development Centre Locations | Your Company's software development centers are located at the following addresses: <ol style="list-style-type: none"> a. ITPB Road, Whitefield, Bengaluru - 560 048; b. Crescent-4, 9th Floor, Prestige Shantiniketan, Whitefield Road, Bengaluru - 560 048 c. Bhoruka Tech Park, Block I, Mahadevpura Industrial Area Hoodi, Ward No.1, Krishnarajapuram Hobli, Bangalore South Taluk - 560 048, Tel: +91 80 6925 5200 d. IITM Research Park, 3rd Floor, E Block, Kanagam Road, Taramani, Chennai - 600 113; e. Chennai One IT Park, SEZ, Phase 2, 3rd Floor, Pallavaram - Thoraipakkam 200 Feet Road, Thoraipakkam, Chennai 600097 f. Giga Space IT Park, Alpha - 1 Building, 2nd Floor, Viman Nagar, Pune - 411 014; g. SEZ Tower IX, A Wing, Level - 2, Magarpatta City, Hadapsar, Pune - 411 013; h. SEZ Tower VII, Level 4 & 7, Magarpatta City, Hadapsar, Pune - 411 013; i. RN Development Center, Technopark Campus, Kariyavattom, Thiruvananthapuram - 695 581; j. Gayathri, 1st Floor, Technopark Campus, Kariyavattom, Thiruvananthapuram - 695 581; k. Pragathi SEZ Building, KINFRA Film & Video Park, Near Sainik School, Chantavila, Kazhakuttom, Thiruvananthapuram - 695 881; l. UL Cyber Park, 6th Floor, Software development Building-1 (SDB-1), ULCCS LIMITED SEZ, Nellikode Village, Nellikode (PO), Kozhikode - 673 016. m. Regus Elegance, ABW Elegance Tower, 225, 2nd Floor, Jasola District Center, New Delhi - 110 025, Tel : +91 11 6635 1150 n. Boston House, No. 202, B Wing, 2nd Floor, Suren Road, Off Andheri-Kurla Road, Andheri East, Mumbai - 400 093. o. The Empire Business Centre, Division of Empire Industries Limited., Unit No.NB-1701, Empire Tower, Village Ilthen, Thane - Belapur Road, Airoli, Navi Mumbai - 400 708 p. Rajapushpa Summit, 3rd Floor, #2-58, Sy No.115/1 & 130/P Financial District, Nanakramguda, Hyderabad - 500 032 |
| xiii. | Address for correspondence | Tata Elxsi Limited ITPB Road, Whitefield, Bengaluru - 560 048 |
| xiv. | CIN | L85110KA1989PLC009968 |



Compliance Report on Corporate Governance (Contd.)

Distribution of Shareholding as on March 31, 2023

| Range of Shares | No. of Shareholders | % of Shareholders | No. of Shares held | % of Shareholding |
|-----------------|---------------------|-------------------|--------------------|-------------------|
| 1 - 500 | 593,668 | 98.99 | 14,445,046 | 23.20 |
| 501 - 1000 | 3,558 | 0.59 | 2,617,315 | 4.20 |
| 1001 - 2000 | 1,342 | 0.22 | 2,022,294 | 3.25 |
| 2001 - 3000 | 343 | 0.06 | 860,006 | 1.38 |
| 3001 - 4000 | 196 | 0.03 | 714,703 | 1.15 |
| 4001 - 5000 | 101 | 0.02 | 463,114 | 0.74 |
| 5001 - 10000 | 229 | 0.04 | 1,630,387 | 2.62 |
| Over 10000 | 260 | 0.04 | 39,523,575 | 63.46 |
| Total | 599,697 | 100.00 | 62,276,440 | 100 |

Categories of Shareholding as on March 31, 2023

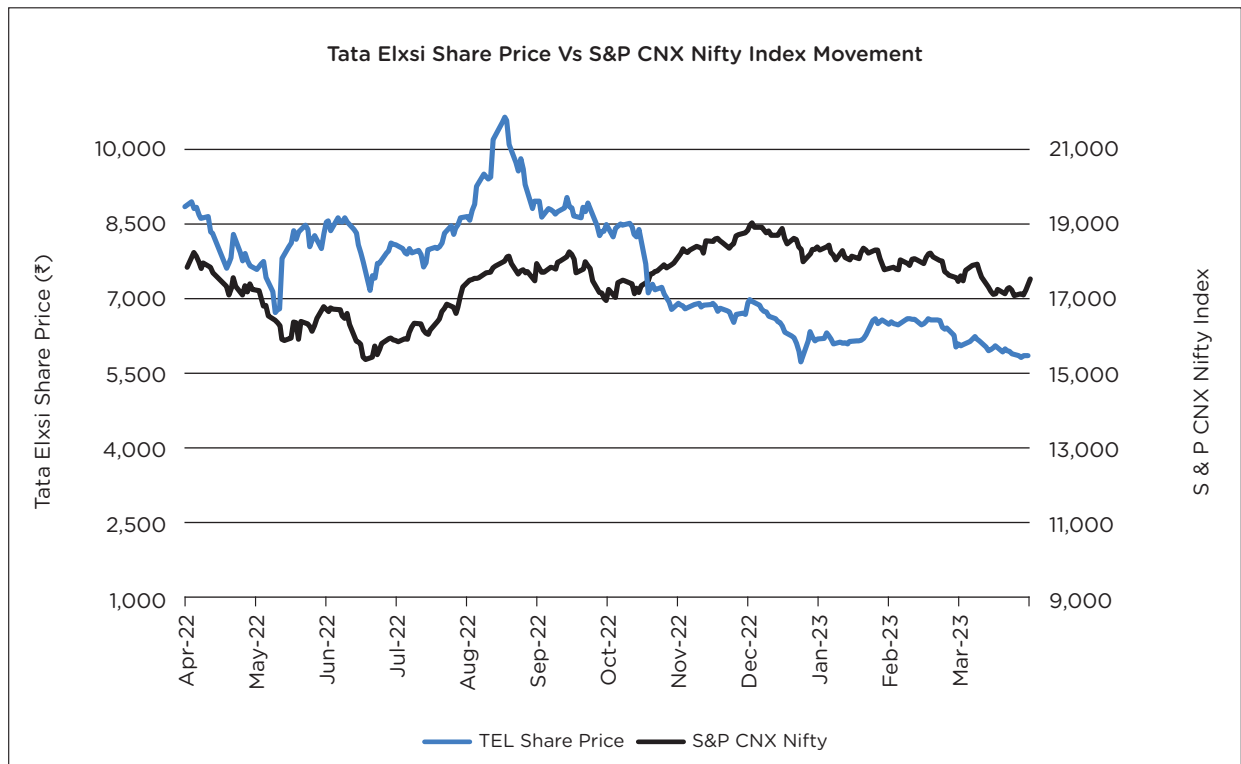
| Category | No. of shareholders | No. of shares held | % to capital |
|-----------------------|---------------------|--------------------|--------------|
| Promoter Companies | 4 | 27,348,919 | 43.92 |
| Mutual funds | 41 | 1,151,793 | 1.85 |
| FI / Banks | 4 | 30,700 | 0.05 |
| Insurance Companies | 17 | 917,049 | 1.47 |
| FII / FFI / FPI | 569 | 8,630,349 | 13.86 |
| NRI | 10,867 | 893,243 | 1.43 |
| Body Corporates | 1,898 | 1,472,617 | 2.36 |
| Trusts | 16 | 13,120 | 0.02 |
| Directors & relatives | 1 | 2,000 | 0.00 |
| Individuals | 586,280 | 21,816,650 | 35.03 |
| Total | 599,697 | 62,276,440 | 100 |

Compliance Report on Corporate Governance (Contd.)

The share price data of Tata Elxsi Limited during each month of FY 2022-23

| Month | BSE Limited | | | National Stock Exchange of India Limited | | |
|--------|-------------|----------|-------------------------------|--|----------|-------------------------------|
| | High (₹) | Low (₹) | Volume (No. of shares traded) | High (₹) | Low (₹) | Volume (No. of shares traded) |
| Apr-22 | 9,006.1 | 7690.7 | 886031 | 9,009.7 | 7,693.15 | 14350522 |
| May-22 | 8,544.15 | 6,812.4 | 1046492 | 8,541.75 | 6,815.7 | 21443602 |
| Jun-22 | 8,694.1 | 7,260.85 | 621620 | 8,696.25 | 7,254.85 | 9862248 |
| Jul-22 | 8,688.6 | 7,711.5 | 369998 | 8,690.05 | 7,711.4 | 5909683 |
| Aug-22 | 10,687.35 | 8,631.05 | 618049 | 10,684.9 | 8,641.75 | 11863506 |
| Sep-22 | 9,090.35 | 8,336 | 412908 | 9,089.2 | 8,336.45 | 5558559 |
| Oct-22 | 8,579.1 | 6,877.15 | 629620 | 8,584.2 | 6,875.6 | 7776942 |
| Nov-22 | 7,015.9 | 6,619.7 | 290012 | 7,010.25 | 6,618.4 | 4262754 |
| Dec-22 | 7,076.7 | 5,837.65 | 515301 | 7,071.65 | 5,837.6 | 4954020 |
| Jan-23 | 6,686.7 | 6,182.2 | 260329 | 6,698.85 | 6,193.9 | 3438310 |
| Feb-23 | 6,693 | 6,127.35 | 191695 | 6,697.85 | 6,129.25 | 2182050 |
| Mar-23 | 6,333.6 | 5,926.25 | 206985 | 6,340.2 | 5,926.15 | 2249772 |

Comparitive performance against other indices



Independent Auditors' Certificate on Compliance with the Corporate Governance Requirements

Under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

TO THE MEMBERS OF TATA ELXSI LIMITED

1. This certificate is issued in accordance with the terms of our engagement letter dated June 26, 2020.
2. We have examined the compliance of conditions of Corporate Governance by Tata Elxsi Limited ("the Company"), for the year ended March 31, 2023, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

MANAGEMENT'S RESPONSIBILITY

3. The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

AUDITORS' RESPONSIBILITY

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended March 31, 2023.
6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance

both issued by the Institute of the Chartered Accountants of India (the "ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

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

OPINION

8. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

RESTRICTION ON USE

10. The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

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

Chartered Accountants

Firm registration number: 101248W/W-100022

Sanjay Sharma

Partner

Place: Bengaluru Membership number: 063980

Date: May 18, 2023 UDIN: 23063980BGWNPB7259



Independent Auditor's Report

To the Members of Tata Elxsi Limited

Report on the Audit of the Financial Statements

OPINION

We have audited the financial statements of **Tata Elxsi Limited** (the "Company") which comprise the balance sheet as at 31 March 2023, 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 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 2023, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

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

KEY AUDIT MATTER

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

| The key audit matter | How the matter was addressed in our audit |
|---|--|
| <p>Amount of revenue recognition in respect of fixed price contracts (Refer Note 2.4 to the financial statements)</p> <p>The Company engages in fixed price contracts, with its customers where, revenue from such contract is recognized based on percentage of completion. This involves computation of actual cost incurred and estimation of total cost on each contract to measure progress towards completion (the input method).</p> <p>Amount of revenue recognition in respect of fixed price contracts has been identified as a Key Audit Matter considering that:</p> <ul style="list-style-type: none"> these contracts involve identification of actual cost incurred on each contract including allocation and apportionment; | <p>In view of its significance, we applied the following audit procedures in this matter, among others to obtain sufficient appropriate audit evidence:</p> <p>(a) Obtaining an understanding of the IT systems, processes and controls implemented by the Company with respect to recognition of actual cost incurred on each contract (including allocation and apportionment), estimation of future cost to completion, estimation of provision for onerous contract, measurement of unbilled revenue, unearned revenue and the total contract revenue on its completion.</p> |



Independent Auditor’s Report (Contd.)

| The key audit matter | How the matter was addressed in our audit |
|---|---|
| <ul style="list-style-type: none"> ◆ these contracts require estimation of future cost-to completion of each contract as well as critical estimates to make provision for onerous contract; ◆ at year-end, a significant amount of contract assets (unbilled revenue) and contract liabilities (unearned revenue) related to each contract is to be identified. | <p>(b) Involving Information technology (“IT”) specialists to assess the design and operating effectiveness of key IT controls relating to revenue recognition and in particular:</p> <ul style="list-style-type: none"> ◆ IT environment in which the business systems operate, including access controls, program change controls, program development controls and IT operation controls; ◆ Access and application controls pertaining to time recording and allocation systems which prevent unauthorised changes to recording of costs and revenue. <p>(c) For selected samples of fixed contracts, -</p> <ul style="list-style-type: none"> ◆ Evaluated the contractual terms to identify the performance obligation and assessed the basis of revenue recognition; Checked the approval for estimates of cost to completion by authorised personnel of the Company; ◆ Carried out a retrospective assessment of costs incurred with estimated costs to identify any significant variation and checked whether those variations have been considered in estimating the remaining costs to complete the contract; ◆ Verified the contract assets and contract liabilities on balance sheet by evaluating the underlying documentation to identify possible delays in achieving milestones which require change in estimated costs to complete the remaining performance obligations; and ◆ Checked journal entries impacting the revenue recognition for the period selected based on specified risk-based criteria. <p>(d) Checked the adequacy of provision in respect of onerous contracts.</p> |

Independent Auditor’s Report (Contd.)

| The key audit matter | How the matter was addressed in our audit |
|--|---|
| <p>Implementation of new Information Technology (‘IT’) System for financial reporting and related migration of data</p> <p>The Company used Ultimatrix as its primary system until December 31, 2022. W.e.f January 1, 2023, the Company has implemented a new accounting software - RAMCO. This system primarily impacts the Record to report, Procure to pay, Order to cash, Property, plant and Equipment and financial statement closure processes. The Company’s financial accounting and reporting systems are highly dependent on the effective working of their IT Systems. Our areas of focus relates to the logic that is fed into the system, accuracy of migrated data, sanctity and reliability of the data, access management and segregation of duties. These underlying principles are important because they ensure that changes to applications and data are appropriate, authorized, cleansed and monitored, so that the system generates accurate and reliable reports/ returns and other financial and non-financial information that is used for the preparation and presentation of the financial statements. Company’s operational and financial processes generate extensive volume on a daily basis and process transactions which are highly dependent on IT systems. There is a risk that automated accounting procedures and related internal controls may not be accurately designed and operating effectively, hence considered as a key audit matter.</p> | <p>Our audit procedures includes assessment and identification of key IT applications and further verifying, testing and reviewing the design and operating effectiveness of the IT system on the basis of reports /returns and other financial and non-financial information generated from the system on a test check basis. The audit procedures included the following:</p> <ul style="list-style-type: none"> a) Obtained the understanding of the process followed by the Company for implementing the new IT system and migration of data from erstwhile IT systems into RAMCO, including proper authorization, completeness, accuracy and manual controls put in place. b) Evaluated the design and tested the operating effectiveness of key controls over the new system implementation, which includes the overall project implementation plan; project roles and responsibilities; approval for new system requirements; and inspection of formal sign-offs including authorisation for go-live. c) Involving IT specialists for Testing IT general controls related to User and Application controls, Change Management Controls and Data backup. Tested the design and operating effectiveness of the IT General Controls (ITGCs) and business processes post migration (both automated and manual) of RAMCO, and evaluated the impact of results in planning our audit procedures. d) Where we identified the need to perform additional procedures, we have carried out substantive testing; such as reconciliations between systems and data migration to obtain adequate and appropriate audit evidence. e) Verification of data migration performed by the management to confirm the accuracy and completeness of data migrated from erstwhile system to RAMCO. |



Independent Auditor's Report (Contd.)

OTHER INFORMATION

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's report thereon.

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

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

MANAGEMENT'S AND BOARD OF DIRECTORS RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive 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, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

- ◆ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error,

Independent Auditor's Report (Contd.)

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 the Management and Board of Directors.
- ◆ Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ◆ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal

control that we identify during our audit.

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The balance sheet, the statement of profit and loss (including other



Independent Auditor's Report (Contd.)

- 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 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its financial statements - Refer Note 33 to the financial statements.
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 43 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 43 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances,

Independent Auditor's Report (Contd.)

nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

- e. The final dividend paid by the Company during the year, which was declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 44 to the financial statements, the Board of Directors of the Company have proposed final dividend for the current year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

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

for B S R & Co. LLP

Chartered Accountants

Firm's Registration No. 101248W/W-100022

Sanjay Sharma

Partner

Place: Bengaluru

Membership No.: 063980

Date: 18 May 2023 ICAI UDIN: 23063980BGWNPC4104



Annexure A to the Independent Auditor's Report on the Financial Statements of Tata Elxsi Limited for the year ended March 31, 2023

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of two years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. The discrepancies noticed on verification between the physical stock and the book records were not material.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security to companies, firms, limited liability partnerships or any other parties during the year. The Company has granted loans to other parties. The Company has not granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year.
- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans as below:

Annexure A to the Independent Auditor’s Report on the Financial Statements of Tata Elxsi Limited for the year ended March 31, 2023 (Contd.)

| Particulars | Loans (₹ Lakhs) |
|---|----------------------------|
| Aggregate amount provided during the year Others* | 174.73 |
| Balance outstanding as at balance sheet date Others* | 105.68 |

*As per the Companies Act, 2013

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the loans granted during the year are, prima facie, not prejudicial to the interest of the Company. The Company has not made any investments, provided advances in the nature of loans, or stood guarantee, or provided security to any other entity.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended

or fresh loans granted to settle the overdues of existing loans given to same parties.

- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any loans, guarantee or security as specified under Section 186 of the Companies Act, 2013. Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to investments made.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.
According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund,



Annexure A to the Independent Auditor’s Report on the Financial Statements of Tata Elxsi Limited for the year ended March 31, 2023 (Contd.)

Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the

Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

- (vii) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

| Name of the statute | Nature of the dues | Amount (₹ Lakhs)* | Period to which the amount relates (FY) | Forum where dispute is pending |
|--------------------------|--------------------|-------------------|---|--|
| The Income Tax Act, 1961 | Income Tax | 67.29 | 2008-09 | Income Tax Appellate Tribunal-Bengaluru |
| The Income Tax Act, 1961 | Income Tax | 40.00 | 2015-16 | Commissioner of Income tax (Appeals)-Bengaluru |
| The Income Tax Act, 1961 | Income Tax | 92.26 | 2016-17 | Commissioner of Income tax (Appeals)-Bengaluru |
| The Income Tax Act, 1961 | Income Tax | 291.86 | 2017-18 | Commissioner of Income tax (Appeals)-Bengaluru |
| The Income Tax Act, 1961 | Income Tax | 783.35 | 2019-20 | Commissioner of Income tax (Appeals)-Bengaluru |
| The Income Tax Act, 1961 | Income Tax | 679.91 | 2020-21 | Commissioner of Income tax (Appeals)-Bengaluru |

*These amounts are net of amount paid/ adjusted under protest ₹ 938.14 lakhs.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during

the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management,

Annexure A to the Independent Auditor's Report on the Financial Statements of Tata Elxsi Limited for the year ended March 31, 2023 (Contd.)

- the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2023. Accordingly, clause 3(ix)(e) is not applicable.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company does not have any subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv)(a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.



Annexure A to the Independent Auditor’s Report on the Financial Statements of Tata Elxsi Limited for the year ended March 31, 2023 (Contd.)

- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us during the course of audit, the Company does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx)(a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.
- (b) There are no amounts remaining unspent under section (5) of section 135 of Companies Act, pursuant to any ongoing project has been transferred to special account in compliance with provision of sub section (6) of section 135 of the said Act.

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

Sanjay Sharma
Partner

Place: Bengaluru *Membership No.: 063980*
Date: 18 May 2023 ICAI UDIN: 23063980BGWNP4104

Annexure B to the Independent Auditor's Report on the Financial Statements of Tata Elxsi Limited for the year ended March 31, 2023

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE AFORESAID FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT

(Referred to in paragraph 2(A)(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 2023 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 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business,

including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

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

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

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



Annexure B to the Independent Auditor’s Report on the Financial Statements of Tata Elxsi Limited for the year ended March 31, 2023 (Contd.)

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

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

Sanjay Sharma
Partner

Place: Bengaluru *Membership No.: 063980*
Date: 18 May 2023 ICAI UDIN: 23063980BGWNPC4104

Balance Sheet

As at March 31, 2023

| | Note No. | As at March 31, 2023 | ₹ lakhs As at March 31, 2022 |
|---|----------|-------------------------|------------------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| (a) Property, plant and equipment | 3 (i) | 15,973.36 | 12,677.42 |
| (b) Capital work-in-progress | 3 (ia) | 697.93 | 2,208.92 |
| (c) Right of use assets | 32 | 15,765.88 | 12,438.36 |
| (d) Intangible assets | 3 (ii) | 1,620.20 | 2,034.77 |
| (e) Financial assets | | | |
| (i) Investments * | 4 | - | - |
| (ii) Other financial assets | 6 (i) | 6,845.28 | 13,840.19 |
| (f) Deferred tax assets (net) | 7 | 1,288.83 | 896.83 |
| (g) Other non-current assets | 8 (i) | 85.82 | 1,704.75 |
| (h) Tax assets (net) | 9 | 2,724.00 | 1,545.95 |
| Total non-current assets | | 45,001.30 | 47,347.19 |
| Current assets | | | |
| (a) Inventories | 10 | 38.62 | 56.75 |
| (b) Financial assets | | | |
| (i) Trade receivables | | | |
| Billed | 11 | 85,665.90 | 55,368.06 |
| Unbilled | | 11,971.65 | 11,910.74 |
| (ii) Cash and cash equivalents | 12 | 13,389.17 | 15,110.51 |
| (iii) Bank balances other than cash and cash equivalents | 13 | 1,05,766.12 | 81,410.39 |
| (iv) Loans receivable | 5 | 181.43 | 100.14 |
| (v) Other financial assets | 6 (ii) | 4,565.28 | 1,429.71 |
| (c) Other current assets | 8 (ii) | 9,770.79 | 4,183.84 |
| Total current assets | | 2,31,348.96 | 1,69,570.14 |
| TOTAL ASSETS | | 2,76,350.26 | 2,16,917.33 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity share capital | 14 | 6,227.64 | 6,227.64 |
| (b) Other equity | 15 | 2,02,349.07 | 1,53,862.65 |
| Total equity | | 2,08,576.71 | 1,60,090.29 |
| Liabilities | | | |
| Non-current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Lease liabilities | | 15,372.68 | 11,828.60 |
| (b) Provisions | 16 (i) | 4,545.32 | 3,976.17 |
| Total non-current liabilities | | 19,918.00 | 15,804.77 |
| Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Lease liabilities | | 2,853.72 | 2,021.83 |
| (ii) Trade payables | 17 | | |
| a) Dues of micro, small and medium enterprises | | 3.16 | 45.94 |
| b) Dues of creditors other than micro, small and medium enterprises | | 10,313.87 | 8,383.73 |
| (iii) Other financial liabilities | 18 | 12,268.91 | 10,795.45 |
| (b) Other current liabilities | 20 | 15,307.04 | 14,978.80 |
| (c) Provisions | 16 (ii) | 2,559.73 | 1,259.83 |
| (d) Current tax liabilities (net) | 19 | 4,549.12 | 3,536.69 |
| Total current liabilities | | 47,855.55 | 41,022.27 |
| TOTAL EQUITY AND LIABILITIES | | 2,76,350.26 | 2,16,917.33 |

* value is less than a lakh
See accompanying notes to the 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, May 18, 2023

for and on behalf of the Board

N G Subramaniam
Chairman
DIN: 0007006215

Gaurav Bajaj
Chief Financial Officer

Bengaluru, May 18, 2023

Manoj Raghavan
Managing Director
DIN: 0008458315

Cauveri Sriram
Company Secretary



Statement of Profit and Loss As at March 31, 2023

₹ lakhs

| | Note No. | Year to date ended March 31, 2023 | Year to date ended March 31, 2022 |
|---|--------------|--------------------------------------|--------------------------------------|
| Revenue from operations | 21 | 3,14,472.25 | 2,47,079.92 |
| Other income (net) | 22 | 7,381.01 | 4,453.27 |
| Total income | | 3,21,853.26 | 2,51,533.19 |
| EXPENSES | | | |
| Cost of materials consumed | 23 | 18,611.59 | 12,670.23 |
| Changes in inventories of stock-in-trade | 24 | 18.13 | (50.46) |
| Employee benefits expense | 25 | 1,59,777.49 | 1,28,810.56 |
| Finance costs | | 1,619.86 | 942.51 |
| Depreciation and amortisation expense | 3 & 32 | 8,138.98 | 5,533.55 |
| Other expenses | 26 | 39,937.18 | 29,077.90 |
| Total expenses | | 2,28,103.23 | 1,76,984.29 |
| Profit before tax | | 93,750.03 | 74,548.90 |
| Tax expense | | | |
| i) Current tax | 27 | 18,319.00 | 19,374.61 |
| ii) Deferred tax | | (88.29) | 207.14 |
| Total tax | Total | 18,230.71 | 19,581.75 |
| Net Profit for the year | | 75,519.32 | 54,967.15 |
| Other comprehensive income/(loss) | | | |
| (i) Items that will not be reclassified subsequently to profit or (loss) | | | |
| -Remeasurement of the defined benefit plans | | (869.12) | (309.46) |
| (ii) Income tax relating to items that will not be reclassified subsequently to profit or loss | | | |
| | | 303.71 | 108.14 |
| Other comprehensive loss for the year, net of income tax | | (565.41) | (201.32) |
| Total comprehensive income for the year | | 74,953.91 | 54,765.83 |
| Earnings per equity share (₹) | 29 | | |
| (a) Basic | | 121.26 | 88.26 |
| (b) Diluted | | 121.26 | 88.26 |

See accompanying notes to the financial statements

1 - 44

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, May 18, 2023

for and on behalf of the Board

N G Subramaniam
Chairman
DIN: 0007006215

Gaurav Bajaj
Chief Financial Officer

Bengaluru, May 18, 2023

Manoj Raghavan
Managing Director
DIN: 0008458315

Cauveri Sriram
Company Secretary

Statements of Changes In Equity

As at March 31, 2023

A. EQUITY SHARE CAPITAL

| ₹ lakhs | | | | |
|-----------------------------|--|--------------------------------------|---|------------------------------|
| Balance as at April 1, 2021 | Changes in equity share capital due to prior period errors | Restated balance as at April 1, 2021 | Changes in equity share capital during the year | Balance as at March 31, 2022 |
| 6,227.64 | - | - | - | 6,227.64 |

| ₹ lakhs | | | | |
|-----------------------------|--|--------------------------------------|---|------------------------------|
| Balance as at April 1, 2022 | Changes in equity share capital due to prior period errors | Restated balance as at April 1, 2022 | Changes in equity share capital during the year | Balance as at March 31, 2023 |
| 6,227.64 | - | - | - | 6,227.64 |

B. OTHER EQUITY

| | Reserves and surplus | | | Total |
|---|----------------------|--------------------|--|--------------------|
| | General reserve | Retained earnings | Remeasurement of the defined benefit plans | |
| As at April 1, 2021 | 9,596.00 | 1,20,619.62 | (1,226.11) | 1,28,989.51 |
| Profit for the year | - | 54,967.15 | - | 54,967.15 |
| Other comprehensive income (net of tax) | - | - | (201.32) | (201.32) |
| Total | 9,596.00 | 1,75,586.77 | (1,427.43) | 1,83,755.34 |
| Dividend and dividend distribution tax thereon paid | - | (29,892.69) | - | (29,892.69) |
| Transfer of profits of the year to general reserve | 1,000.00 | (1,000.00) | - | - |
| As at March 31, 2022 | 10,596.00 | 1,44,694.08 | (1,427.43) | 1,53,862.65 |
| As at April 1, 2022 | 10,596.00 | 1,44,694.08 | (1,427.43) | 1,53,862.65 |
| Profit for the period | - | 75,519.32 | - | 75,519.32 |
| Other comprehensive income (net of tax) | - | - | (565.41) | (565.41) |
| Total | 10,596.00 | 2,20,213.40 | (1,992.84) | 2,28,816.56 |
| Dividend paid | - | (26,467.49) | - | (26,467.49) |
| Transfer of profits of the year to general reserve | 1,000.00 | (1,000.00) | - | - |
| As at March 31, 2023 | 11,596.00 | 1,92,745.91 | (1,992.84) | 2,02,349.07 |

See accompanying notes to the 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, May 18, 2023

for and on behalf of the Board

N G Subramaniam
 Chairman
 DIN: 0007006215

Gaurav Bajaj
 Chief Financial Officer

Bengaluru, May 18, 2023

Manoj Raghavan
 Managing Director
 DIN: 0008458315

Cauveri Sriram
 Company Secretary



Statement of Cash Flow As at March 31, 2023

| | For the year ended March 31, 2023 | For the year Ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| ₹ lakhs | | |
| A. Cash flows from operating activities | | |
| Profit for the year | 75,519.32 | 54,967.15 |
| Adjustment for: | | |
| Income tax expense recognised in profit and loss | 18,230.71 | 19,581.75 |
| Depreciation and amortisation | 8,138.98 | 5,533.55 |
| Interest income | (5,315.48) | (3,041.60) |
| Finance costs | 1,619.86 | 942.51 |
| Bad debts written off | 59.78 | 325.68 |
| Provision for doubtful debts | (106.36) | 748.37 |
| Net loss on sale of assets | 5.43 | 2.54 |
| Net gain on lease modification | (116.03) | - |
| Net (gain)/loss arising on financial assets measured at fair value through profit and loss | 219.63 | (87.66) |
| Net unrealised exchange gain | (116.21) | (27.66) |
| Operating profit before working capital changes | 98,139.63 | 78,944.63 |
| Movement in working capital: | | |
| Adjustments for (increase) / decrease in operating assets: | | |
| Loans receivables | (81.29) | (9.63) |
| Trade receivables- Billed | (29,889.29) | (16,411.81) |
| Trade receivables- Unbilled | (60.91) | (3,199.27) |
| Other financial assets | (1,240.19) | (213.90) |
| Other assets | (5,485.04) | (2,866.52) |
| Inventories | 18.13 | (50.46) |
| Adjustments for increase / (decrease) in operating liabilities: | | |
| Provisions | 978.42 | (292.15) |
| Trade payables | 1,545.58 | 2,928.01 |
| Other financial liabilities | 2,917.18 | 3,423.74 |
| Other current liabilities | 328.24 | 6,673.45 |
| Cash generated from operations | 67,170.46 | 68,926.09 |
| Income tax paid (net) | (18,484.62) | (20,622.89) |
| Net Cash generated from operating activities - (A) | 48,685.84 | 48,303.20 |
| B. Cash flows from investing activities | | |
| Purchase of property, plant and equipment and intangibles | (6,410.08) | (7,118.82) |
| Proceeds from sale of property, plant and equipment and intangibles | 37.73 | 0.81 |
| Movement in bank deposits (net) | (16,950.00) | (6,559.60) |
| Interest received | 3,131.26 | 2,848.18 |
| Net Cash used in investing activities - (B) | (20,191.09) | (10,829.43) |
| C. Cash flows from financing activities | | |
| Payment of lease liability | (3,808.45) | (2,709.10) |
| Interest paid | (36.17) | (8.19) |
| Dividend paid | (26,467.49) | (29,892.69) |
| Net Cash used in financing activities - (C) | (30,312.11) | (32,609.98) |
| Net (decrease) / increase in cash and cash equivalents (A+B+C) | (1,817.36) | 4,863.79 |
| Cash and cash equivalents as at beginning of the year | 15,110.51 | 10,041.73 |
| Effects of exchange rate changes on the balances of cash and cash equivalents held in foreign currencies | 96.02 | 204.99 |
| Cash and cash equivalents as at end of the year (Refer note 12) | 13,389.17 | 15,110.51 |

See accompanying notes to the 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, May 18, 2023

for and on behalf of the Board

N G Subramaniam
Chairman
DIN: 0007006215

Gaurav Bajaj
Chief Financial Officer

Bengaluru, May 18, 2023

Manoj Raghavan
Managing Director
DIN: 0008458315

Cauveri Sriram
Company Secretary

Notes Forming Part of the Financial Statements

A. SIGNIFICANT ACCOUNTING POLICIES

1. Corporate information

Tata Elxsi Limited ("the Company") is a public limited company incorporated under the provisions of the Companies Act applicable in India in the year 1989 and domiciled in India. The Company has its registered office in Bengaluru, Karnataka, India. The shares of the Company are listed on the BSE and National Stock Exchange in India.

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

The Company is head quartered in Bengaluru, and operates through delivery centers in Bengaluru, Chennai, Delhi, Hyderabad, Kozhikode, Pune, Mumbai and Thiruvananthapuram.

The Company's operations are located in multiple cities in India, and in multiple international locations including United Kingdom (UK), United States of America (USA), France, Germany, Japan, Ireland, Netherlands, South Africa, Canada, Spain, Dubai, Malaysia, Poland and Italy.

2. Basis of preparation of financial statements.

2.1 Statement of compliance

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

These financial statements were authorised

for issue by the Board of Directors on May 18, 2023

2.2 Basis of preparation and presentation

These financial statements have been prepared on a historical cost convention and on an accrual basis of accounting, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments
- Fair value of plan assets less present value of defined benefit obligations

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months

The statement of cash flows have been prepared under the indirect method.

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

2.3 Use of estimates and judgement

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires



Notes Forming Part of the Financial Statements (Contd.)

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. Appropriate change in estimates are made as management become aware of changes in circumstances surrounding the estimates. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

The Company uses the following critical accounting estimates in preparation of its financial statements:

Revenue recognition

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

Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

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 deferred tax assets

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

The Company's major tax jurisdictions are India, UK and the USA. The Company also files tax returns in other foreign jurisdictions. Significant judgment is involved in determining the provision for income taxes, including the amount expected to be paid or

Notes Forming Part of the Financial Statements (Contd.)

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.

Provisions and contingent liabilities

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

Employee benefits

The accounting of employee benefit plans in the nature of defined benefit requires the Company to use assumptions. These assumptions have been explained under employee benefits note.

Cash dividend to the equity holders of the Company

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised, and the distribution is no longer at the discretion of the Company. Final dividends on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

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 recognises 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



Notes Forming Part of the Financial Statements (Contd.)

to receive in exchange for those products or services.

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

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

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

Unearned and deferred revenue ("contract liability") is recognised when there is billings is 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

Notes Forming Part of the Financial Statements (Contd.)

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 controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.
- Contract fulfilment costs are generally expensed as incurred except for certain software licence costs which meet the criteria for capitalisation. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations



Notes Forming Part of the Financial Statements (Contd.)

and whether costs are expected to be recovered (Refer note 8).

2.5 Other income

Interest income is accounted for using the effective interest method.

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

Foreign currency gains and losses are reported on net basis

2.6 Leases

Company as a lessee

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

- the contract involves the use of an identified asset;
- the Company has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset

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

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception

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

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the

Notes Forming Part of the Financial Statements (Contd.)

Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

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

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of all assets that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.7 Foreign currency

The functional currency of the Company is Indian Rupee.

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

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

2.8 Taxes

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

2.9 Current income taxes

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for that period and reflects the uncertainty related to income tax, if any. The tax rates and tax laws used to compute the amount are those that are enacted by the balance sheet date. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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

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



Notes Forming Part of the Financial Statements (Contd.)

branch operates. The taxes paid are generally available for set off against the Indian income tax liability of the Company's worldwide income.

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

Deferred income taxes

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

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

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

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

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

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

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

2.10 Inventories

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

Components and spares are valued at lower of cost and net realisable value.

Cost is determined on the basis of specific identification method.

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

2.11 Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value, except for trade receivables which are initially measured at

Notes Forming Part of the Financial Statements (Contd.)

transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Cash and cash equivalents

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

Financial assets at amortised cost

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

Financial assets at fair value through other comprehensive income

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

Financial assets at fair value through profit or loss

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

Financial liabilities at fair value through profit or loss

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

Derivative financial instruments

The Company is exposed to foreign currency fluctuations on foreign currency assets and liabilities. The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. Derivatives are recognised and measured at fair value. Attributable transaction costs are recognised in the statement of profit and loss as expenses. Subsequent changes in



Notes Forming Part of the Financial Statements (Contd.)

fair value of such derivative instruments are recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amounts are presented in the standalone balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Derecognition

Financial assets

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

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

Financial liabilities

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

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

the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

2.12 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 capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

The Company identifies and determines cost of each component / part of property, plant and equipment separately, if the component / part has a cost which is significant to the total cost of the property, plant and equipment and has useful life that is materially different from that of the remaining asset.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use. Gains or losses arising from de-recognition of property, plant and equipment and intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of property, plant and equipment and are recognised in the statement of profit and

Notes Forming Part of the Financial Statements (Contd.)

loss when the property, plant and equipment is derecognised.

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

The estimated useful life on a straightline basis of amortisation is mentioned below:

| Type of asset | Useful lives |
|--------------------------|--------------|
| Buildings | 30 years * |
| Plant and equipment | 6 years * |
| Computer equipment | 3 to 6 years |
| Air conditioners | 6 years * |
| Vehicles | 8 years |
| Office equipment | 5 years |
| Electrical installations | 6 years * |
| Furniture and fixtures | 6 years * |

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

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

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are disclosed under 'other assets'. The cost of property, plant and equipment not ready to use before the balance sheet date is disclosed under 'Capital work in progress'.

Changes in the expected useful life or the expected pattern of consumption of future

economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Capital work-in-progress

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

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

2.13 Intangible assets

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

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

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

The estimated useful life on a straightline basis of amortisation is mentioned below:

| Type of asset | Useful lives |
|-------------------|--------------|
| Computer Software | 6 years |

2.14 Employee benefits

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

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits.



Notes Forming Part of the Financial Statements (Contd.)

Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined benefit plans

Gratuity and Pension are defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations, being carried out at the date of each balance sheet date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Past service cost, both vested and unvested, is recognised as an expense at the earlier of (a) when the plan amendment or curtailment occurs; and (b) when the entity recognises related restructuring costs or termination benefits.

The retirement benefit obligations recognised in the balance sheet represents the present value of the defined obligations reduced by the fair value of scheme assets. Any, asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company.

Defined contribution plans

Contributions to defined contribution plans

like provident fund and superannuation, funds are recognised as expense when employees have rendered services entitling them to such benefits.

Compensated absences

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are stated as undiscounted liability at the balance sheet date. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are stated as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date. Actuarial gains/losses are immediately taken to the standalone statement of profit and loss.

2.15 Earnings per share

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The Company did not have any potentially dilutive securities in any of the years presented.

2.16 Impairment

Financial assets (other than those carried at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises 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

Notes Forming Part of the Financial Statements (Contd.)

credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Non-financial assets**Property, plant and equipment and Intangible assets**

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

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

2.17 Recent pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 - Presentation of Financial Statements

The amendments require companies to

disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 - Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.



Notes Forming Part of the Financial Statements (Contd.)

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, 2022 | 929.90 | 49.96 | 3,920.62 | 2,143.34 | 156.78 | 13,265.00 | 1,495.76 | 1,493.32 | 814.58 | 607.47 | 106.56 | 24,983.29 |
| Add: Additions | - | - | 320.33 | 1,694.79 | 46.09 | 3,457.74 | 343.28 | 760.23 | 278.83 | 617.50 | 17.58 | 7,536.37 |
| Less: Disposals/Deletions | - | - | - | 426.92 | - | 22.89 | 83.38 | 8.82 | 1.42 | 57.66 | - | 601.09 |
| Balance as at March 31, 2023 | 929.90 | 49.96 | 4,240.95 | 3,411.21 | 202.87 | 16,699.85 | 1,755.66 | 2,244.73 | 1,091.99 | 1,167.31 | 124.14 | 31,918.57 |
| II. Accumulated depreciation | | | | | | | | | | | | |
| Balance as at April 1, 2022 | - | 20.41 | 939.18 | 758.18 | 108.53 | 7,482.27 | 795.39 | 1,268.14 | 494.05 | 411.28 | 28.44 | 12,305.87 |
| Add: Depreciation expense for the period | - | 3.40 | 163.52 | 395.82 | 26.19 | 2,933.36 | 211.77 | 209.10 | 120.18 | 118.98 | 14.95 | 4,197.27 |
| Less: Eliminated on disposal/deletion of assets | - | - | - | 426.92 | - | 19.50 | 64.98 | 8.82 | 0.67 | 37.04 | - | 557.93 |
| Balance as at March 31, 2023 | - | 23.81 | 1,102.70 | 727.08 | 134.72 | 10,396.13 | 942.18 | 1,468.42 | 613.56 | 493.22 | 43.39 | 15,945.21 |
| III. Net carrying amount (I-II) | 929.90 | 26.15 | 3,138.25 | 2,684.13 | 68.15 | 6,303.72 | 813.48 | 776.31 | 478.43 | 674.09 | 80.75 | 15,973.36 |

| 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, 2021 | 929.90 | 49.96 | 3,920.62 | 1,482.90 | 156.78 | 8,189.07 | 1,101.06 | 1,482.84 | 666.40 | 581.17 | 27.98 | 18,588.68 |
| Add: Additions | - | - | - | 883.45 | - | 5,122.25 | 405.74 | 19.22 | 155.07 | 26.73 | 78.58 | 6,691.04 |
| Less: Disposals/Deletions | - | - | - | 223.01 | - | 46.32 | 11.04 | 8.74 | 6.89 | 0.43 | - | 296.43 |
| Balance as at March 31, 2022 | 929.90 | 49.96 | 3,920.62 | 2,143.34 | 156.78 | 13,265.00 | 1,495.76 | 1,493.32 | 814.58 | 607.47 | 106.56 | 24,983.29 |
| II. Accumulated depreciation | | | | | | | | | | | | |
| Balance as at April 1, 2021 | - | 17.01 | 781.13 | 792.88 | 89.09 | 5,752.69 | 648.53 | 1,110.74 | 424.33 | 355.26 | 16.43 | 9,988.09 |
| Add: Depreciation expense for the period | - | 3.40 | 158.05 | 188.31 | 19.44 | 1,774.15 | 156.52 | 166.02 | 76.51 | 56.45 | 12.01 | 2,610.86 |
| Less: Eliminated on disposal/deletion of assets | - | - | - | 223.01 | - | 44.57 | 9.66 | 8.62 | 6.79 | 0.43 | - | 293.08 |
| Balance as at March 31, 2022 | - | 20.41 | 939.18 | 758.18 | 108.53 | 7,482.27 | 795.39 | 1,268.14 | 494.05 | 411.28 | 28.44 | 12,305.87 |
| III. Net carrying amount (I-II) | 929.90 | 29.55 | 2,981.44 | 1,385.16 | 48.25 | 5,782.73 | 700.37 | 225.18 | 320.53 | 196.19 | 78.12 | 12,677.42 |

Notes Forming Part of the Financial Statements (Contd.)

3. (ia) Capital work-in-progress

| Particulars | ₹ lakhs |
|-------------------------------------|-----------------|
| Balance as at April 1, 2022 | 2,208.92 |
| Add: Additions | 6,141.77 |
| Less: Capitalisations | 7,652.76 |
| Balance as at March 31, 2023 | 697.93 |
| Balance as at April 1, 2021 | 726.73 |
| Add: Additions | 8,900.19 |
| Less: Capitalisations | 7,418.00 |
| Balance as at March 31, 2022 | 2,208.92 |

Capital work-in-progress ageing *

Ageing for capital work-in-progress as at March 31, 2023 is as follows:

| CWIP | Amount in CWIP as at March 31, 2023 | | | | Total |
|--------------------------------|-------------------------------------|-----------|-----------|-------------------|---------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 697.93 | - | - | - | 697.93 |
| Projects temporarily suspended | - | - | - | - | - |
| Total | 697.93 | - | - | - | 697.93 |

Ageing for capital work-in-progress as at March 31, 2022 is as follows:

| CWIP | Amount in CWIP as at March, 31 2022 | | | | Total |
|--------------------------------|-------------------------------------|---------------|-----------|-------------------|-----------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 2,019.92 | 189.00 | - | - | 2,208.92 |
| Projects temporarily suspended | - | - | - | - | - |
| Total | 2,019.92 | 189.00 | - | - | 2,208.92 |

*Project execution plans are modulated basis capacity requirement assessment on an annual basis and all the projects are executed as per rolling annual plan.

3. (ii) Intangible assets

| Description of assets | ₹ lakhs |
|-------------------------------------|-----------------|
| I. Gross carrying amount | |
| Balance as at April 1, 2022 | 5,210.59 |
| Add: Additions | 116.39 |
| Less: Disposals/Deletions | - |
| Balance as at March 31, 2023 | 5,326.98 |



Notes Forming Part of the Financial Statements (Contd.)

| | | ₹ lakhs |
|--|--|--------------------------|
| Description of assets | | Computer software |
| II. Accumulated amortisation | | |
| Balance as at April 1, 2022 | | 3,175.82 |
| Add: Amortisation expense for the period | | 530.96 |
| Less: Eliminated on disposal of assets | | - |
| Balance as at March 31, 2023 | | 3,706.78 |
| III. Net carrying amount (I-II) | | 1,620.20 |

| | | ₹ lakhs |
|--|--|--------------------------|
| Description of assets | | Computer software |
| I. Gross carrying amount | | |
| Balance as at April 1, 2021 | | 4,483.79 |
| Add: Additions | | 726.96 |
| Less: Disposals/Deletions | | 0.16 |
| Balance as at March 31, 2022 | | 5,210.59 |
| II. Accumulated amortisation | | |
| Balance as at April 1, 2021 | | 2,628.57 |
| Add: Amortisation expense for the period | | 547.41 |
| Less: Eliminated on disposal of assets | | 0.16 |
| Balance as at March 31, 2022 | | 3,175.82 |
| III. Net carrying amount (I-II) | | 2,034.77 |

4. Investments

| | | ₹ lakhs | |
|---|----------------|---------|-------|
| Particulars | As at | | As at |
| | March 31, 2023 | | |
| Non-current | | | |
| Unquoted | | | |
| Investments in other entities * (Refer Note 38) | - | | - |
| | - | | - |

* value is less than a lakh

Notes Forming Part of the Financial Statements (Contd.)

5. Loans Receivable

| Particulars | ₹ lakhs | |
|-----------------------------------|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Unsecured, considered good | | |
| Current | | |
| Loans to employees | 181.43 | 100.14 |
| | 181.43 | 100.14 |

6. Other Financial Assets

| Particulars | ₹ lakhs | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| (i) Non-current | | |
| (a) Security deposits | | |
| Considered good | 2,559.91 | 2,340.19 |
| Considered doubtful | 17.07 | 17.07 |
| | 2,576.98 | 2,357.26 |
| Less: provision for doubtful deposits | (17.07) | (17.07) |
| | 2,559.91 | 2,340.19 |
| (b) Bank deposits with more than 12 months maturity | 4,200.00 | 11,500.00 |
| (c) Interest receivable | 85.37 | - |
| | 6,845.28 | 13,840.19 |

Bank deposits include ₹ 700.00 lakhs as at March 31, 2023 (₹ 500.00 lakhs as at March 31, 2022), pertaining to deposits held as security by bank for Bank Guarantee's and Letter of Credit's.

| | | |
|---|-----------------|-----------------|
| (ii) Current | | |
| (a) Others | | |
| - Fair value of foreign exchange derivative contracts | 202.57 | 186.32 |
| - Interest receivable | 3,342.24 | 1,243.39 |
| - Security deposits | 1,020.47 | - |
| | 4,565.28 | 1,429.71 |

7. Deferred Tax Assets (Net)

| Particulars | ₹ lakhs | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Deferred tax assets / (liabilities) in relation to: | | |
| a) Property, plant and equipment and intangible assets | (905.27) | (898.33) |
| b) Provision for employee benefits | 1,205.28 | 776.63 |
| c) Provision for doubtful receivables/other assets | 285.07 | 523.13 |
| d) Leases | 703.75 | 495.40 |
| | 1,288.83 | 896.83 |



Notes Forming Part of the Financial Statements (Contd.)

8. Other Assets

| Particulars | ₹ lakhs | |
|---------------------------------------|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| (i) Non-current | | |
| Considered good | | |
| a) Capital advances | 12.65 | 1,529.67 |
| b) Prepaid expenses | 73.17 | 175.08 |
| | 85.82 | 1,704.75 |
| (ii) Current | | |
| Considered good | | |
| a) Prepaid expenses | 2,590.11 | 1,667.82 |
| b) Indirect taxes recoverable | 823.65 | 557.27 |
| c) Advance to suppliers | 326.12 | 536.43 |
| d) Claims receivable | 902.12 | 1,124.64 |
| e) Advance to employees | 727.57 | 297.68 |
| f) Contract assets | 4,401.22 | - |
| | 9,770.79 | 4,183.84 |
| Considered doubtful | | |
| Claims receivable | - | 574.90 |
| Less: Provision for claims receivable | - | (574.90) |
| | 9,770.79 | 4,183.84 |

9. Tax Assets (Net)

| Particulars | ₹ lakhs | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| (i) Non-current | | |
| - Tax deducted at source/advance tax paid (net of tax provision) | 2,724.00 | 1,545.95 |
| | 2,724.00 | 1,545.95 |

10. Inventories

| Particulars | ₹ lakhs | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| (At lower of cost or net realisable value) | | |
| Components and spares - for trading | 38.62 | 56.75 |
| | 38.62 | 56.75 |

Notes Forming Part of the Financial Statements (Contd.)

11. Trade Receivables

₹ lakhs

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Billed | | |
| Unsecured, considered good | 85,665.90 | 55,368.06 |
| Unsecured, credit impaired | 296.72 | 409.70 |
| less: Impairment allowance | (296.72) | (409.70) |
| | - | - |
| Unsecured, which have significant increase in credit risk | 502.01 | 495.38 |
| less: Impairment allowance | (502.01) | (495.38) |
| | - | - |
| | 85,665.90 | 55,368.06 |

Ageing for trade receivables outstanding as at March 31, 2023 is as follows:

₹ lakhs

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|---|---|-----------------------|----------------------|---------------|---------------|----------------------|------------------|
| | Not due | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables-considered good | 46,226.48 | 37,271.11 | 2,092.86 | 15.67 | 59.78 | - | 85,665.90 |
| ii) Undisputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables - credit impaired | - | 159.30 | 31.65 | 102.22 | 3.55 | - | 296.72 |
| (iv) Disputed Trade Receivables-considered good | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables - which have significant increase in credit risk | - | - | - | 30.08 | 436.99 | 34.94 | 502.01 |
| (vi) Disputed Trade Receivables - credit impaired | - | - | - | - | - | - | - |
| | 46,226.48 | 37,430.41 | 2,124.51 | 147.97 | 500.32 | 34.94 | 86,464.63 |
| Less: Allowance for doubtful trade receivables billed | | | | | | | (798.73) |
| | | | | | | | 85,665.90 |
| Trade receivables unbilled | | | | | | | 11,971.65 |
| | | | | | | | 97,637.55 |



Notes Forming Part of the Financial Statements (Contd.)

Ageing for trade receivables outstanding as at March 31, 2022 is as follows:

| Particulars | Outstanding for following periods from due date of payment | | | | | | ₹ lakhs |
|---|---|-----------------------|----------------------|-----------------|--------------|----------------------|------------------|
| | Not due | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed Trade receivables-considered good | 45,585.60 | 8,826.26 | 195.83 | 760.37 | - | - | 55,368.06 |
| ii) Undisputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables - credit impaired | - | - | 106.70 | 303.00 | - | - | 409.70 |
| (iv) Disputed Trade Receivables-considered good | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables - which have significant increase in credit risk | - | - | 1.40 | 458.68 | 35.30 | - | 495.38 |
| (vi) Disputed Trade Receivables - credit impaired | - | - | - | - | - | - | - |
| | 45,585.60 | 8,826.26 | 303.93 | 1,522.05 | 35.30 | - | 56,273.14 |
| Less: Allowance for doubtful trade receivables billed | - | - | - | - | - | - | (905.08) |
| | | | | | | | 55,368.06 |
| Trade receivables unbilled | - | - | - | - | - | - | 11,910.74 |
| | - | - | - | - | - | - | 67,278.80 |

12. Cash and Cash Equivalents

| Particulars | ₹ lakhs | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Cash on hand | 0.34 | 0.29 |
| Funds-in-transit | - | 252.17 |
| Balances with banks | | |
| i) In current accounts | 11,388.83 | 14,858.05 |
| ii) Bank deposits with original maturity of less than 3 months | 2,000.00 | |
| | 13,389.17 | 15,110.51 |

Cash and cash equivalents include restricted cash and bank balances of ₹ 35.4 lakhs as at March 31, 2023 (₹ Nil as at March 31, 2022). The restrictions are primarily on account of bank balances held as margin money deposits against guarantees

Notes Forming Part of the Financial Statements (Contd.)

13. Bank Balances Other Than Cash And Cash Equivalents

| Particulars | ₹ lakhs | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| a) in earmarked accounts | | |
| - Unclaimed dividends account | 1,016.12 | 910.39 |
| - Unspent CSR account | - | |
| b) Bank deposits with maturity greater than 3 months and less than 12 months | 1,04,750.00 | 80,500.00 |
| | 1,05,766.12 | 81,410.39 |

Bank deposits include ₹ Nil as at March 31, 2023 (₹ 200.00 lakhs as at March 31, 2022), pertaining to deposits held as security by bank for Letter of Credit's.

14. Share Capital

| Particulars | ₹ lakhs | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Authorised : | | |
| 70,000,000 equity shares of ₹ 10/- each (March 31, 2022: 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, 2022: 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, 2022: 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:

| Equity shares with voting rights | As at March 31, 2023 | | As at March 31, 2022 | |
|----------------------------------|-------------------------|----------------------|-------------------------|----------------------|
| | 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 (Contd.)

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

₹ lakhs

| Name of share holder | As at March 31, 2023 | | As at March 31, 2022 | |
|--|-----------------------|--------------------------------------|-----------------------|--------------------------------------|
| | 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.

Disclosure of shareholding of Promoters

₹ lakhs

| Promoter Holding | As at March 31, 2023 | | As at March 31, 2022 | | % Change during the year |
|-------------------------------------|-----------------------|--------------|-----------------------|--------------|--------------------------|
| | Number of shares held | % of Holding | Number of shares held | % of Holding | |
| Tata Sons Private Limited | 2,62,95,264 | 42.22% | 2,62,95,264 | 42.22% | 0.00% |
| Tata Investment Corporation Limited | 10,53,655 | 1.69% | 11,53,655 | 1.85% | (0.16%) |

15. Other Equity

₹ lakhs

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | |
|--|----------------------|--------------------|----------------------|--------------------|
| (i) General reserve: | | | | |
| Opening balance | 10,596.00 | | 9,596.00 | |
| Add: Transferred from surplus in statement of profit and loss | 1,000.00 | | 1,000.00 | |
| Closing balance | | 11,596.00 | | 10,596.00 |
| (ii) Retained earnings: | | | | |
| Opening balance | 1,43,266.65 | | 1,19,393.51 | |
| Add/(Less): Transferred from other comprehensive income for the year | (565.41) | | (201.32) | |
| Less: Dividend paid | (26,467.49) | | (29,892.69) | |
| Add: Net profit for the year | 75,519.32 | | 54,967.15 | |
| Balance available for appropriation | 1,91,753.07 | | 1,44,266.65 | |
| Less: Appropriations | | | | |
| Transfer to general reserve | (1,000.00) | | (1,000.00) | |
| Closing balance | | 1,90,753.07 | | 1,43,266.65 |
| | | 2,02,349.07 | | 1,53,862.65 |

Notes Forming Part of the Financial Statements (Contd.)

16. Provisions

| Particulars | ₹ lakhs | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| (i) Non-current | | |
| (a) Provision for employee benefits | | |
| - Provision for compensated absences | 2,081.78 | 1,698.77 |
| - Provision for Gratuity | - | 80.40 |
| - Provision for Pension | 2,463.54 | 2,197.00 |
| | 4,545.32 | 3,976.17 |
| (ii) Current | | |
| (a) Provision for employee benefits | | |
| - Provision for compensated absences | 1,561.53 | 1,096.61 |
| - Provision for Gratuity | 816.44 | - |
| (b) Other provisions | | |
| - Provision for warranty | 181.76 | 163.22 |
| | 2,559.73 | 1,259.83 |

Details of movement in other provisions is as follows:

| | | ₹ lakhs | |
|-------------------------------------|---------------|-------------------------------------|---------------|
| Particulars | Amount | Particulars | Amount |
| Balance as at April 1, 2022 | 163.22 | Balance as at April 1, 2021 | 108.63 |
| Net charge during the period | 18.54 | Net charge during the year | 54.59 |
| Balance as at March 31, 2023 | 181.76 | Balance as at March 31, 2022 | 163.22 |

Warranty claims:

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

17. Trade Payables

| Particulars | ₹ lakhs | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Current | | |
| - Acceptances | - | - |
| - Other than acceptances | | |
| Trade payables - Micro, small and medium enterprises | 3.16 | 45.94 |
| Trade payables - Other than micro, small and medium enterprises | 10,313.87 | 8,383.73 |
| | 10,317.03 | 8,429.67 |



Notes Forming Part of the Financial Statements (Contd.)

Ageing for trade payables outstanding as at March 31, 2023 is as follows:

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|-----------------------------|--|------------------|-------------|-----------|-------------------|------------------|
| | Not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | 3.16 | - | - | - | - | 3.16 |
| (ii) Others | 355.60 | 377.17 | 6.45 | - | - | 739.22 |
| (iii) Disputed dues - MSME | - | - | - | - | - | - |
| (iv) Disputed dues - others | - | - | - | - | - | - |
| | 358.76 | 377.17 | 6.45 | - | - | 742.38 |
| Accrued expenses | | | | | | 9,574.65 |
| | | | | | | 10,317.03 |

Ageing for trade payables outstanding as at March 31, 2022 is as follows:

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|-----------------------------|--|------------------|-----------|-----------|-------------------|-----------------|
| | Not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | 45.94 | - | - | - | - | 45.94 |
| (ii) Others | 1,224.91 | 554.69 | - | - | - | 1,779.60 |
| (iii) Disputed dues - MSME | - | - | - | - | - | - |
| (iv) Disputed dues - others | - | - | - | - | - | - |
| | 1,270.85 | 554.69 | - | - | - | 1,825.54 |
| Accrued expenses | | | | | | 6,604.13 |
| | | | | | | 8,429.67 |

18. Other Financial Liabilities

| Particulars | ₹ lakhs | |
|--|----------------------|----------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Current | | |
| a) Employee related liabilities | 8,354.47 | 6,107.44 |
| b) Capital creditors | 77.10 | 1,862.43 |
| c) Security deposit accepted | 0.20 | 0.20 |
| d) Unclaimed dividend | 1,016.12 | 910.39 |
| e) Liabilities against customer contracts | 2,585.14 | 1,914.99 |
| f) Fair value of foreign exchange derivative contracts | 235.88 | - |
| | 12,268.91 | 10,795.45 |

19. Tax Liabilities

| Particulars | ₹ lakhs | |
|--|----------------------|----------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| (i) Current | | |
| -Provision for taxation (net of advance tax) | 4,549.12 | 3,536.69 |
| | 4,549.12 | 3,536.69 |

Notes Forming Part of the Financial Statements (Contd.)

20. Other Liabilities

| Particulars | ₹ lakhs | |
|------------------------------------|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Current | | |
| a) Advance from customers | 5,473.21 | 5,876.05 |
| b) Contract liabilities | 4,340.97 | 4,721.46 |
| c) Statutory and other liabilities | 5,492.86 | 4,381.29 |
| | 15,307.04 | 14,978.80 |

21. Revenue From Operations

| Particulars | ₹ lakhs | |
|---|---|---|
| | Year to date ended March 31, 2023 | Year to date ended March 31, 2022 |
| Rendering of services | 3,11,870.77 | 2,45,375.23 |
| Sale of traded goods | 2,601.48 | 1,704.69 |
| | 3,14,472.25 | 2,47,079.92 |
| Revenue disaggregation by segment is as follows: | | |
| Software development and services | 3,06,594.75 | 2,42,131.14 |
| System integration and support services | 7,877.50 | 4,948.78 |
| | 3,14,472.25 | 2,47,079.92 |
| Revenue disaggregation by geography is as follows: | | |
| India | 52,154.96 | 39,307.28 |
| US | 1,32,272.28 | 1,04,163.70 |
| Europe | 1,13,950.68 | 75,577.94 |
| Others | 16,094.33 | 28,031.00 |
| | 3,14,472.25 | 2,47,079.92 |
| Contracted price | 3,17,339.21 | 2,49,406.96 |
| Reductions towards variable consideration components* | (2,866.96) | (2,327.04) |
| Revenue recognised | 3,14,472.25 | 2,47,079.92 |

* The reduction towards variable consideration comprises of volume discounts, service level credits, etc.



Notes Forming Part of the Financial Statements (Contd.)

22. Other Income (Net)

| Particulars | ₹ lakhs | |
|---|--------------------------------------|--------------------------------------|
| | Year to date ended March 31, 2023 | Year to date ended March 31, 2022 |
| a) Interest income: | | |
| i) Interest from banks on deposits | 5,224.02 | 2,973.15 |
| ii) Interest income on financial assets carried at amortised cost | 91.46 | 68.45 |
| b) Other gains and losses: | | |
| i) Net gain on foreign currency transactions | 979.03 | 341.73 |
| ii) Net gain/(loss) arising on financial assets measured at fair value through profit or loss | (219.63) | 87.66 |
| iii) Loss on sale of property, plant and equipment | (5.43) | (2.54) |
| c) Others: | | |
| i) Export and other incentives/credits | 646.38 | 936.55 |
| ii) Miscellaneous income | 665.18 | 48.27 |
| | 7,381.01 | 4,453.27 |

23. Cost of Materials Consumed

| Particulars | ₹ lakhs | |
|---|--------------------------------------|--------------------------------------|
| | Year to date ended March 31, 2023 | Year to date ended March 31, 2022 |
| Spares, consumables and others | 16,508.42 | 11,356.40 |
| Purchase of traded goods - computers, networking and storage systems and components and parts | 2,103.17 | 1,313.83 |
| | 18,611.59 | 12,670.23 |

24. Changes in Inventories of Stock in Trade

| Particulars | ₹ lakhs | |
|---|--------------------------------------|--------------------------------------|
| | Year to date ended March 31, 2023 | Year to date ended March 31, 2022 |
| Inventories at the end of the year: | | |
| Stock-in-trade - components and spares | 38.62 | 56.75 |
| | 38.62 | 56.75 |
| Inventories at the beginning of the year: | | |
| Stock-in-trade - components and spares | 56.75 | 6.29 |
| | 56.75 | 6.29 |
| Net decrease / (increase) | 18.13 | (50.46) |

Notes Forming Part of the Financial Statements (Contd.)

25. Employee Benefit Expenses

| Particulars | ₹ lakhs | |
|---|---|---|
| | Year to date ended March 31, 2023 | Year to date ended March 31, 2022 |
| Salaries and wages | 1,47,268.85 | 1,20,488.92 |
| Contribution to provident and other funds | 6,375.94 | 4,690.92 |
| Staff welfare expenses | 6,132.70 | 3,630.72 |
| | 1,59,777.49 | 1,28,810.56 |

26. Other Expenses

| Particulars | ₹ lakhs | |
|--|---|---|
| | Year to date ended March 31, 2023 | Year to date ended March 31, 2022 |
| Facility expenses | 467.94 | 89.93 |
| Rates and taxes | 254.92 | 311.97 |
| Power and fuel | 1,025.25 | 765.25 |
| Repairs and maintenance : Building | 685.31 | 415.87 |
| : Plant and equipment | 3,397.50 | 1,401.62 |
| : Others | 864.28 | 610.79 |
| Communication expenses | 679.92 | 509.70 |
| Inland travel and conveyance | 961.93 | 257.06 |
| Overseas travel | 5,188.20 | 2,857.90 |
| Advertisement and sales promotion expenses | 1,849.90 | 1,195.65 |
| Commission on sales | 627.32 | 906.04 |
| Printing and stationery | 66.62 | 29.19 |
| Motor vehicle expenses | 296.98 | 235.65 |
| Recruitment and training | 2,632.40 | 1,016.09 |
| Consultant fees for software development | 17,004.07 | 13,926.48 |
| Expenditure on corporate social responsibility (Refer Note 34) | 855.40 | 667.56 |
| Legal and professional charges | 1,926.47 | 1,724.05 |
| Non-Executive directors comission | 600.00 | 530.00 |
| Insurance | 242.10 | 220.39 |
| Bank and other charges | 108.82 | 104.73 |
| Auditors' remuneration (Refer Note (i) below) | 94.75 | 62.13 |
| Bad debts written off | 59.78 | 325.68 |
| Provision for doubtful debts (net of reversals) | (106.36) | 748.37 |
| Miscellaneous expenses | 153.68 | 165.80 |
| | 39,937.18 | 29,077.90 |



Notes Forming Part of the Financial Statements (Contd.)

Note (i): Payments to the auditors excluding taxes, comprises:

| Particulars | ₹ lakhs | |
|-------------------------------|---|---|
| | Year to date ended March 31, 2023 | Year to date ended March 31, 2022 |
| As auditors - statutory audit | 82.00 | 54.00 |
| Other services | 2.70 | 2.75 |
| Reimbursement of expenses | 10.05 | 5.38 |
| | 94.75 | 62.13 |

27. Income tax expense

| Particulars | ₹ lakhs | |
|---|-------------------------|-------------------------|
| | Current | |
| | As at March 31, 2023 | As at March 31, 2022 |
| Income tax expenses: | | |
| Current tax | 18,319.00 | 18,803.97 |
| Tax pertaining to prior years | - | 570.64 |
| Deferred tax | (88.29) | 207.14 |
| Income tax included in Other comprehensive income: | | |
| Remeasurement of employee defined benefit plans | (303.71) | (108.14) |
| Tax expense for the year | 17,927.00 | 19,473.61 |

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

| Particulars | ₹ lakhs | |
|--|------------------------------|------------------------------|
| | Year ended March 31, 2023 | Year ended March 31, 2022 |
| Profit before tax | 93,750.03 | 74,548.90 |
| Expected income tax expense calculated at 34.944%(PY 34.944%) | 32,760.01 | 26,050.36 |
| Effect of expenses that are not deductible in determining taxable profit | 362.17 | 1,024.02 |
| Effect of concessions | (14,891.47) | (7,492.63) |
| Income tax expense recognised in profit or loss | 18,230.71 | 19,581.75 |

Notes Forming Part of the Financial Statements (Contd.)

The tax rate used for 2022-23 reconciliation above is the corporate tax rate of 34.944% (PY 34.944%) payable by corporate entities in India on taxable profits under Indian tax law.

The Company benefits from the tax holiday available for units set up under the Special Economic Zone Act, 2005. These tax holidays are available for a period of fifteen years from the date of commencement of operations. Under the SEZ scheme, the units which begins providing services on or after April 1, 2005 will be eligible for deductions of 100% of profits or gains derived from export of services for the first five years, 50% of such profit or gains for a further period of five years and 50% of such profits or gains for the balance period of five years subject to fulfilment of certain conditions. Pune unit 1, Thiruvananthapuram, Chennai unit and Pune Unit 2, will be eligible for deductions of 100% of profits or gains derived from export of services for the first five years, 50% of such profit or gains for a further period of five years and 50% of such profits or gains for the balance period of five years subject to fulfilment of certain conditions.

B. Significant components of net deferred tax assets and liabilities for the years ended March 31, 2023 and March 31, 2022 are as follows:

| Particulars | ₹ lakhs | | | |
|---|---------------------|--|--|----------------------|
| | As at April 1, 2022 | Recognised in statement of profit and loss | Recognised in Other comprehensive Income | As at March 31, 2023 |
| Deferred tax assets | | | | |
| Provision for doubtful trade receivables/ Claims receivables | 523.13 | (238.06) | - | 285.07 |
| Employee Benefits | 776.63 | 124.94 | 303.71 | 1,205.28 |
| Lease liabilities (Net right of use assets) | 495.40 | 208.35 | - | 703.75 |
| Deferred tax liabilities | | | | |
| Property, Plant and equipments and Intangible assets | (898.33) | (6.94) | - | (905.27) |
| Total | 896.83 | 88.29 | 303.71 | 1,288.83 |

| Particulars | ₹ lakhs | | | |
|---|---------------------|--|--|----------------------|
| | As at April 1, 2021 | Recognised in statement of profit and loss | Recognised in Other comprehensive Income | As at March 31, 2022 |
| Deferred tax assets | | | | |
| Provision for doubtful trade receivables/ Claims receivables | 261.62 | 261.51 | - | 523.13 |
| Employee Benefits | 710.68 | (42.19) | 108.14 | 776.63 |
| Lease liabilities (Net right of use assets) | 285.57 | 209.83 | - | 495.40 |
| Deferred tax liabilities | | | | |
| Property, Plant and equipments and Intangible assets | (262.04) | (636.29) | - | (898.33) |
| Total | 995.83 | (207.14) | 108.14 | 896.83 |



Notes Forming Part of the Financial Statements (Contd.)

28. Employee benefit plans

a. Defined contribution plans

The Company makes contribution to Provident Fund, Superannuation Fund and Employee State Insurance fund for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.

The Company recognised i) ₹ 3,763.57 lakhs and ₹ 2,795.51 lakhs for Provident Fund contributions for the year ended March 31, 2023 and March 31, 2022, respectively. ii) ₹ 1,468.64 lakhs and ₹ 1,193.05 lakhs for Superannuation Fund contributions for the year ended March 31, 2023 and March 31, 2022, respectively. The contributions payable to these plans by the Company are at the rates specified in the rules of the schemes.

b. Defined benefit plans

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

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

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

| Particulars | ₹ lakhs | |
|---|--------------------------------------|--------------------------------------|
| | Year to date ended March 31, 2023 | Year to date ended March 31, 2022 |
| Change in defined benefit obligations | | |
| Present value of DBO at beginning of the year | 5,524.83 | 4,720.88 |
| Current service cost | 813.73 | 633.11 |
| Interest cost | 384.53 | 304.02 |
| Remeasurement of the net defined benefit liability | 617.41 | 560.60 |
| Benefits paid | (978.96) | (693.78) |
| Present value of DBO at the end of the year | 6,361.54 | 5,524.83 |
| Change in fair value of plan assets during the year | | |
| Fair value of plan assets at beginning of the year | 5,444.44 | 4,879.30 |
| Interest Income | 378.93 | 314.23 |
| Employer's Contribution | 650.00 | 901.56 |
| Remeasurement -return on plan assets excluding amount included in interest income | 50.70 | 43.13 |
| Benefits paid | (978.96) | (693.78) |
| Plan assets at the end of the year | 5,545.11 | 5,444.44 |
| Funded status | | |
| Deficit of plan assets over obligations | (816.44) | (80.40) |
| Category of assets | | |
| Insurer managed funds | 5,545.11 | 5,444.44 |

Notes Forming Part of the Financial Statements (Contd.)

| Particulars | ₹ lakhs | |
|--|--------------------------------------|--------------------------------------|
| | Year to date ended March 31, 2023 | Year to date ended March 31, 2022 |
| Service Cost | 813.73 | 633.11 |
| Net interest on net defined benefit (assets)/liability | 5.60 | (10.21) |
| Net periodic gratuity cost | 819.33 | 622.90 |
| Actual return on plan assets | 378.93 | 314.23 |
| Re-measurement (gains) / losses in OCI | | |
| Actuarial losses arising from changes in demographic assumptions | - | 27.57 |
| Actuarial (gains) and losses arising from changes in financial assumptions | (224.29) | 187.96 |
| Actuarial losses and (gains) arising from changes in experience adjustments | 841.70 | 345.07 |
| Remeasurement of the net defined benefit liability | 617.41 | 560.60 |
| Remeasurement - return on plan assets excluding amount included in "interest income" | (50.70) | (43.13) |
| Total | 566.71 | 517.47 |
| | Year to date ended March 31, 2023 | Year to date ended March 31, 2022 |
| Actuarial assumptions for long-term compensated absences | | |
| Discount rate | 7.46% | 6.96% |
| Expected return on plan assets | 7.46% | 6.96% |
| Salary escalation | 6.00% | 6.00% |
| Attrition : If past service <5 years | 11.00% | 11.00% |
| : If past service >5 years | 9.00% | 9.00% |

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, 2023. The Company is expected to contribute ₹ 1,808.77 lakhs to defined benefit obligations funds for the year ended March 31, 2024.

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

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

If the discount rate increases (decreases) by 1%, the defined benefit obligations would decrease by ₹ 406.72 lakhs (increase by ₹ 464.28 lakhs) as at March 31, 2023. If the expected salary growth increases (decreases) by 1%, the defined benefit obligations would increase by ₹ 466.41 lakhs (decrease by ₹ 415.64 lakhs) as at March 31, 2023. If the employee attrition rate increases (decreases) by 1%, the defined benefit obligation would increase by ₹ 20.68 lakhs (decrease by ₹ 26.26 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.



Notes Forming Part of the Financial Statements (Contd.)

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, 2023 as follows.

| Year ending March 31, | ₹ lakhs |
|-----------------------|------------------------------------|
| | Defined benefit obligations |
| 2024 | 729.04 |
| 2025 | 573.04 |
| 2026 | 595.20 |
| 2027 | 584.25 |
| 2028 | 605.26 |
| Thereafter | 9,235.47 |

29. Earnings per share

| Particulars | ₹ lakhs | |
|--|-----------------------------------|-----------------------------------|
| | Year to date ended March 31, 2023 | Year to date ended March 31, 2022 |
| Net profit for the period from continuing operations attributable to the equity shareholders (₹ lakhs) | 75,519.32 | 54,967.15 |
| 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 (₹) | 121.26 | 88.26 |

Notes Forming Part of the Financial Statements (Contd.)

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/fair value of financial instruments by categories as of March 31, 2023 is as follows:

₹ lakhs

| Particulars | Fair value through profit or loss | Fair value through other comprehensive income | Derivative instruments in hedging relationship | Derivative instruments not in hedging relationship | Amortised cost | Total carrying value |
|-----------------------------|-----------------------------------|---|--|--|--------------------|----------------------|
| Assets: | | | | | | |
| Trade receivables | | | | | | |
| Billed | - | - | - | - | 85,665.90 | 85,665.90 |
| Unbilled | - | - | - | - | 11,971.65 | 11,971.65 |
| Cash and cash equivalents | - | - | - | - | 13,389.17 | 13,389.17 |
| Other bank balances | - | - | - | - | 1,05,766.12 | 1,05,766.12 |
| Loans receivables | - | - | - | - | 181.43 | 181.43 |
| Other financial assets | - | - | - | 202.57 | 11,207.99 | 11,410.56 |
| Total | - | - | - | 202.57 | 2,28,182.26 | 2,28,384.83 |
| Liabilities: | | | | | | |
| Lease Liabilities | - | - | - | - | 18,226.40 | 18,226.40 |
| Trade payables | - | - | - | - | 10,317.03 | 10,317.03 |
| Other financial liabilities | - | - | - | 235.88 | 12,033.03 | 12,268.91 |
| Total | - | - | - | 235.88 | 40,576.46 | 40,812.34 |

The carrying value/fair value of financial instruments by categories as of March 31, 2022 is as follows:

₹ lakhs

| Particulars | Fair value through profit or loss | Fair value through other comprehensive income | Derivative instruments in hedging relationship | Derivative instruments not in hedging relationship | Amortised cost | Total carrying value |
|---------------------------|-----------------------------------|---|--|--|--------------------|----------------------|
| Assets: | | | | | | |
| Trade receivables | | | | | | |
| Billed | - | - | - | - | 55,368.06 | 55,368.06 |
| Unbilled | - | - | - | - | 11,910.74 | 11,910.74 |
| Cash and cash equivalents | - | - | - | - | 15,110.51 | 15,110.51 |
| Other bank balances | - | - | - | - | 81,410.39 | 81,410.39 |
| Loans receivables | - | - | - | - | 100.14 | 100.14 |
| Other financial assets | - | - | - | 186.32 | 15,083.58 | 15,269.90 |
| Total | - | - | - | 186.32 | 1,78,983.42 | 1,79,169.74 |



Notes Forming Part of the Financial Statements (Contd.)

₹ lakhs

| Particulars | Fair value through profit or loss | Fair value through other comprehensive income | Derivative instruments in hedging relationship | Derivative instruments not in hedging relationship | Amortised cost | Total carrying value |
|-----------------------------|-----------------------------------|---|--|--|------------------|----------------------|
| Liabilities: | | | | | | |
| Lease Liabilities | - | - | - | - | 13,850.43 | 13,850.43 |
| Trade payables | - | - | - | - | 8,429.67 | 8,429.67 |
| Other financial liabilities | - | - | - | - | 10,795.45 | 10,795.45 |
| Total | - | - | - | - | 33,075.55 | 33,075.55 |

(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, 2023 | Level 1 | Level 2 | Level 3 | Total |
|---|---------|---------|---------|---------------|
| Financial assets/liabilities: | | | | |
| Fair value of foreign exchange derivative assets | - | 202.57 | - | 202.57 |
| Fair value of foreign exchange derivative liabilities | - | 235.88 | - | 235.88 |

₹ lakhs

| As at March 31, 2022 | Level 1 | Level 2 | Level 3 | Total |
|---|---------|---------|---------|---------------|
| Financial assets/liabilities: | | | | |
| Fair value of foreign exchange derivative assets | - | 186.32 | - | 186.32 |
| Fair value of foreign exchange derivative liabilities | - | - | - | - |

Notes Forming Part of the Financial Statements (Contd.)

(c) Financial risk management

The Company is exposed primarily to fluctuations in Interest rate, 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.

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.

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 analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled revenue, derivative financial instruments, cash and cash equivalents, other bank balances and other financial assets. Other bank balances include bank deposits for an amount of ₹ 1,10,950.00 lakhs (Previous year ₹ 92,000.00 lakhs) held with five schedule banks having high credit-rating which are individually in excess of 10% or more of the Company bank deposits for the year ended March 31, 2023. Trade receivables- billed and Trade receivables-unbilled include an amount of ₹ 21,661.10 lakhs (Previous year ₹ 16,611.84 lakhs) held with two customers having high credit-rating which are individually in excess of 10% or more of Company Trade receivables- billed and Trade receivables-unbilled for the year ended March 31, 2023.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to the credit risk was ₹ 2,28,384.83 lakhs and ₹ 1,79,169.74 lakhs as at March 31, 2023 and March 31, 2022, respectively, being the total of the carrying amount of balances principally with banks, other bank balances, Trade receivables- billed and Trade receivables- unbilled and other financial assets.

The Company's exposure to customers is diversified and except two customers, no single customer contributes to more than 10% and 10% of Trade receivables- billed and Trade receivables- unbilled as at March 31, 2023 and March 31, 2022, respectively.

Geographic concentration of credit risk

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

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



Notes Forming Part of the Financial Statements (Contd.)

| Country | As at March 31, 2023 | | As at March 31, 2022 | |
|--------------------------|----------------------|--------|----------------------|--------|
| | Gross % | Net % | Gross % | Net % |
| Europe | 29.31% | 29.45% | 39.46% | 39.45% |
| United States of America | 23.47% | 23.55% | 34.22% | 34.63% |
| India | 19.67% | 19.46% | 6.61% | 6.63% |
| Others | 27.55% | 27.54% | 19.71% | 19.29% |

The allowance for lifetime expected credit loss on trade receivables for the years ended March 31, 2023 and March 31, 2022 was ₹ 798.73 lakhs and ₹ 905.08 lakhs, respectively. The reconciliation of allowance for doubtful trade receivables is as follows:

| Particulars | ₹ lakhs | |
|---|----------------------|----------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Balance at the beginning of the year | 905.08 | 157.80 |
| Change during the year | (46.57) | 1,072.98 |
| Bad debts written off | (59.55) | (311.52) |
| Translation Exchange difference | (0.23) | (14.18) |
| Balance at the end of the year | 798.73 | 905.08 |

Liquidity risk:

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

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

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2023

| Non-derivative financial liabilities: | ₹ lakhs | | | |
|---------------------------------------|------------------|------------------------|-------------------|------------------|
| | Due in year 1 | Due in year 2- 3 years | More than 3 years | Total |
| Trade payables | 10,310.58 | 6.45 | - | 10,317.03 |
| Other financial liabilities | 12,033.03 | - | - | 12,033.03 |
| Lease liabilities | 4,235.65 | 8,461.03 | 10,072.48 | 22,769.16 |
| Total | 26,579.26 | 8,467.48 | 10,072.48 | 45,119.22 |

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2022

| Non-derivative financial liabilities: | ₹ lakhs | | | |
|---------------------------------------|------------------|------------------------|------------------|------------------|
| | Due in year 1 | Due in year 2- 3 years | More than 3 year | Total |
| Trade payables | 8,429.67 | - | - | 8,429.67 |
| Other financial liabilities | 10,754.69 | - | - | 10,754.69 |
| Lease liabilities | 2,021.83 | 5,792.21 | 6,036.39 | 13,850.43 |
| Total | 21,206.19 | 5,792.21 | 6,036.39 | 33,034.79 |

Notes Forming Part of the Financial Statements (Contd.)

Market risk

(g) Foreign currency exchange rate risk:

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

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

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

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

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

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

The following table sets forth information relating to foreign currency exposures as at March 31, 2023 and March 31, 2022.

| | | | | | ₹ lakhs |
|-----------------------------|-----------|-----------|-----------|----------|------------------|
| As at March 31, 2023 | USD | GBP | EUR | Others* | Total |
| Total financial assets | 40,673.91 | 17,695.61 | 17,116.02 | 6,989.92 | 82,475.46 |
| Total financial liabilities | 6,248.39 | 1,283.36 | 608.48 | 196.31 | 8,336.54 |

| | | | | | ₹ lakhs |
|-----------------------------|-----------|-----------|-----------|----------|------------------|
| As at March 31, 2022 | USD | GBP | EUR | Others* | Total |
| Total financial assets | 31,805.54 | 15,259.02 | 11,441.66 | 8,102.40 | 66,608.62 |
| Total financial liabilities | 5,343.26 | 636.13 | 895.20 | 959.27 | 7,833.86 |

10% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease/ increase in the Company's profit before tax by approximately ₹ 7,409.42 lakhs for the year ended March 31, 2023 and ₹ 11,194.20 lakhs for the year ended March 31, 2022 respectively.

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



Notes Forming Part of the Financial Statements (Contd.)

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

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

| Foreign Currency | March 31, 2023 | | |
|------------------|-----------------|--|--------------------|
| | No of contracts | Notional amount of contracts (Currency value in lakhs) | Fair Value ₹ lakhs |
| US Dollar | 49 | 250.00 | 190.84 |
| Sterling Pound | 35 | 135.50 | (167.32) |
| Euro | 32 | 107.00 | (65.18) |
| JPY | 18 | 600.00 | 8.69 |
| ZAR | 4 | 10.00 | (0.34) |

| Foreign Currency | March 31, 2022 | | |
|------------------|-----------------|--|--------------------|
| | No of contracts | Notional amount of contracts (Currency value in lakhs) | Fair Value ₹ lakhs |
| US Dollar | 7 | 138.00 | 80.33 |
| Sterling Pound | 7 | 47.00 | 71.30 |
| Euro | 7 | 38.00 | 17.94 |
| JPY | 3 | 775.00 | 16.75 |
| ZAR | - | - | - |

Notes Forming Part of the Financial Statements (Contd.)

31. Related party transactions

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

| Names of related parties | Description of relationship |
|---|---|
| Tata Sons Private Limited | Company with Controlling Interest |
| Mr Manoj Raghavan, Managing Director | Key Managerial Personnel |
| Mr Muralidharan HV, Chief Financial Officer (till July, 31, 2021) | Key Managerial Personnel |
| Ms Bhavana Muralidharan (till July 31,2021) | Relative of Key Managerial Personnel. |
| Mr G. Vaidyanathan, Company Secretary (till February 28, 2022) | Key Managerial Personnel |
| Mr Gaurav Bajaj (w.e.f August 01, 2021) | Key Managerial Personnel |
| Mr Adarsh Narayan Ganapathy (w.e.f February 07, 2022) | Relative of Key Managerial Personnel. |
| Mrs Caruveri Sriram (w.e.f March 01, 2022) | Key Managerial Personnel |
| Non-Executive Directors | |
| Mr N.G.Subramaniam | Key Managerial Personnel |
| Mrs Shyamala Gopinath | Key Managerial Personnel |
| Mr Sudhakar Rao | Key Managerial Personnel |
| Mr Ankur Verma | Key Managerial Personnel |
| Prof. Anurag Kumar | Key Managerial Personnel |
| Tata Elxsi (India) Limited Employees Gratuity Fund | Post-employment benefit plans of the Company |
| Tata Elxsi (India) Limited Employees Provident Fund | |
| Tata Elxsi (India) Limited Employees Superannuation Fund | |
| Bowler Motors Limited | Group entities (Wherever there are transactions) |
| Jaguar Land Rover Limited | |
| Air India Limited | |
| Indusface Private Limited | |
| Jaguar Land Rover Hungary KFT | |
| OASIS Smart SIM Europe SAS | |



Notes Forming Part of the Financial Statements (Contd.)

| Names of related parties | Description of relationship |
|--|---|
| Tajgvk Hotels & Resorts Limited | Group entities (Wherever there are transactions) |
| Tata Advanced Systems Limited | |
| Tata Aia Life Insurance Company Limited | |
| Tata Aig General Insurance Company Limited | |
| Tata Autocomp Systems Limited | |
| Tata Capital Financial Services Limited | |
| Tata Chemicals Limited | |
| Tata Class Edge-Division of Tata Industries Limited | |
| Tata Communications Limited | |
| Tata Communications Transformation Services Limited | |
| Tata Community Initiatives Trust | |
| Tata Consultancy Services Japan, Limited | |
| Tata Consultancy Services Limited | |
| Tata Consumer Products Limited | |
| Tata Electronics Private Limited | |
| Tata Ficosa Automotive Systems Private Limited | |
| Tata Industries Limited | |
| Tata Internationl West Asia Dmcc | |
| Tata Limited | |
| Tata Marcopolo Motors Limited | |
| Tata Motors European Technical Centre Plc | |
| Tata Motors Limited | |
| Tata Motors Passenger Vehicles Limited | |
| Tata Power Company Limited | |
| Tata Power Solar Systems Limited | |
| Tata Services Limited | |
| Tata Services Limited-Tmtc | |
| Tata Steel BSL Limited | |
| Tata Steel Limited | |
| Tata Technologies Europe Limited | |
| Tata Technologies Limited | |
| Tata Technologies Pte Limited | |
| Tata Teleservices (Maharashtra) Limited | |
| Tata Teleservices Limited | |
| The Indian Hotels Company Limited | |
| The Indian Hotels Company Limited - Vivanta Whitefield | |

Notes Forming Part of the Financial Statements (Contd.)

Details of related party transactions:

The transactions during the year ended March 31, 2023 and balances outstanding as at March 31, 2023.

| ₹ lakhs | | | | | | |
|---|------------------------------------|--------------------------|--------------------------------------|---|-----------------------|------------------|
| Particulars | Company with significant influence | Key Managerial Personnel | Relative of Key Managerial Personnel | Subsidiaries of Tata Sons Private Limited | Other related parties | Total |
| Revenue from operations | - | - | - | 52,535.34 | - | 52,535.34 |
| Dividend paid | 10,057.94 | 0.87 | - | 403.02 | - | 10,461.83 |
| Purchase of goods, services (including reimbursement) | - | - | - | 2,970.57 | - | 2,970.57 |
| Receiving of services (Brand fee and other services) | 791.51 | - | - | - | - | 791.51 |
| Remuneration and commission (refer note-1 below) | - | 1,578.53 | 32.09 | - | - | 1,610.62 |
| Contribution to employees' post employment plan | - | - | - | - | 8,424.58 | 8,424.58 |
| Balances outstanding at the end of the year: | | | | | | |
| Trade Receivable | - | - | - | 16,315.04 | - | 16,315.04 |
| Trade Payable | 791.51 | - | - | 389.03 | - | 1,180.54 |
| Other payables | - | 1,120.00 | - | - | 687.63 | 1,807.63 |

The transactions during the year ended March 31, 2022 and balances outstanding as at March 31, 2022.

| ₹ lakhs | | | | | | |
|---|------------------------------------|--------------------------|--------------------------------------|---|-----------------------|------------------|
| Particulars | Company with significant influence | Key Managerial Personnel | Relative of Key Managerial Personnel | Subsidiaries of Tata Sons Private Limited | Other related parties | Total |
| Revenue from operations | 7.08 | - | - | 35,165.51 | - | 35,172.59 |
| Dividend paid | 11,359.55 | 0.96 | - | 619.92 | - | 11,980.43 |
| Purchase of goods, services (including reimbursement) | - | - | - | 2,128.46 | - | 2,128.46 |
| Receiving of services (Brand fee and other services) | 605.10 | - | - | - | - | 605.10 |
| Remuneration and commission (refer note-1 below) | - | 1,757.55 | 19.69 | - | - | 1,777.24 |
| Contribution to employees' post employment plan | - | - | - | - | 5,621.01 | 5,621.01 |
| Balances outstanding at the end of the year: | | | | | | |
| Trade Receivable | - | - | - | 10,335.27 | - | 10,335.27 |
| Trade Payable | 605.10 | - | - | 44.97 | - | 650.07 |
| Other payables | - | 930.00 | - | - | 601.85 | 1,531.85 |

Note-1: The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends. 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.

Note-2: All transactions with these related parties are priced on an arm's length basis



Notes Forming Part of the Financial Statements (Contd.)

32. Ind AS 116

a. Right-of-use assets

₹ lakhs

| Particulars | As at March 31, 2023 | | | Particulars | As at March 31, 2022 | | |
|---|-------------------------|------------------|------------------|---|-------------------------|------------------|------------------|
| | Land and buildings | Vehicle Lease | Total | | Land and buildings | Vehicle Lease | Total |
| I. Gross carrying amount | | | | I. Gross carrying amount | | | |
| Balance as at April 1, 2022 | 15,588.30 | 253.06 | 15,841.36 | Balance as at April 1, 2021 | 8,817.44 | - | 8,817.44 |
| Additions to right of use asset | 7,830.78 | 156.27 | 7,987.05 | Additions to right of use asset | 8,055.50 | 253.06 | 8,308.56 |
| Less: Modifications / terminations / Retirement of leases | 2,884.01 | - | 2,884.01 | Less: Modifications / terminations / Retirement of leases | 1,284.64 | - | 1,284.64 |
| Balance as at March 31, 2023 | 20,535.07 | 409.33 | 20,944.40 | Balance as at March 31, 2022 | 15,588.30 | 253.06 | 15,841.36 |
| II. Accumulated depreciation | | | | II. Accumulated depreciation | | | |
| Balance as at April 1, 2022 | 3,358.80 | 44.20 | 3,403.00 | Balance as at April 1, 2021 | 2,308.02 | - | 2,308.02 |
| Depreciation charge for the year | 3,304.07 | 106.68 | 3,410.75 | Depreciation charge for the year | 2,331.07 | 44.20 | 2,375.27 |
| Less: Modifications / terminations / Retirement of leases | 1,635.23 | - | 1,635.23 | Less: Modifications / terminations / Retirement of leases | 1,280.29 | - | 1,280.29 |
| Balance as at March 31, 2023 | 5,027.64 | 150.88 | 5,178.52 | Balance as at March 31, 2022 | 3,358.80 | 44.20 | 3,403.00 |
| III. Net carrying amount (I-II) | 15,507.43 | 258.45 | 15,765.88 | III. Net carrying amount (I-II) | 12,229.50 | 208.86 | 12,438.36 |

Other disclosure w.r.t. leases:

- i) Interest expense (included in finance cost) for the year ended March 31, 2023 amounts to ₹ 1, 583.69 lakhs (Previous year ₹ 934.32 lakhs)
- ii) The total cash outflow for the year ended March 31, 2023 amounts to ₹ 3, 808.45 lakhs (Previous year ₹ 2,709.10 lakhs)
- iii) The Company incurred ₹ 467.94 lakhs for the year ended March 31, 2023 towards expenses relating to lease of low-value assets (Previous year ₹ 89.93 lakhs)

Notes Forming Part of the Financial Statements (Contd.)

b. Lease liabilities

Maturity analysis – contractual discounted cash flows

₹ lakhs

| Year | Contractual cash flows | | | | |
|---------|------------------------|-----------|-----------|-----------|-------------------|
| | Carrying amount | Total | 0-1 years | 1-5 years | 5 years and above |
| 2022-23 | 18,226.40 | 18,226.40 | 2,853.72 | 12,161.27 | 3,211.41 |
| 2021-22 | 13,850.43 | 18,147.47 | 3,161.81 | 12,037.72 | 2,947.94 |

33. Contingent liabilities and Commitments:

₹ lakhs

| Contingent liabilities and commitments (to the extent not provided for) | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| (i) Contingent liabilities: | | |
| Claims against the Company not acknowledged as debt | | |
| Disputed demands for Income Tax aggregates. | 67.29 | 2,997.42 |
| (ii) Capital Commitments: | | |
| Estimated amount of contracts remaining to be executed on capital accounts and not provided for | | |
| Property, plant and equipment | 1,169.05 | 826.72 |
| Intangible assets | - | 372.02 |

34. Corporate Social Responsibility

a) Gross amount required to be spent by the Company during the year ₹ 894.00 lakhs (Previous year ₹ 699.93 lakhs)

b) Amount spent during the year:

₹ lakhs

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|---|---|
| (i) Amount required to be spent by the Company during the year | 894.00 * | 699.93* |
| (ii) Amount of expenditure incurred on: | | |
| a) Construction/acquisition of any asset | - | - |
| b) On purposes other than (a) above | 776.65 | 655.06 |
| (iii) Shortfall at the end of the year | 117.35 | 44.87 |
| (iv) Total of previous years shortfall | 117.35 | - |
| (v) Reason for shortfall | Project in progress | Project in progress |
| (vi) Nature of CSR activities | Promoting Health care and Education | Promoting Health care and Education |
| (vii) Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard | - | 10.00 |

* Includes overhead expense of ₹ 38.60 lakhs (Previous year ₹ 32.37 lakhs)



Notes Forming Part of the Financial Statements (Contd.)

35. Ind AS 115 - Revenue

a. Contract balances

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

| Particulars | ₹ lakhs | |
|----------------------|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Trade receivables | | |
| Billed | 85,665.90 | 55,368.06 |
| Unbilled | 11,971.65 | 11,910.74 |
| Contract liabilities | 4,340.97 | 4,721.47 |

The following table discloses the movement in contract assets and contract liabilities during the year ended March 31, 2023

| Particulars | ₹ lakhs | |
|---|-------------------------|-------------------------|
| | Contract assets | |
| | As at March 31, 2023 | As at March 31, 2022 |
| Balance at the beginning of the year | 2,398.80 | 2,579.88 |
| Increase due to revenue recognised during the year, excluding amounts billed during the year | 35,927.03 | 31,155.80 |
| Invoices raised that were included in the contract as sets balance at the beginning of the year | (33,949.36) | (31,495.20) |
| Translation exchange difference | 24.75 | 158.32 |
| Balance at the end of the year | 4,401.22 | 2,398.80 |

| Particulars | ₹ lakhs | |
|---|-------------------------|-------------------------|
| | Contract liabilities | |
| | As at March 31, 2023 | As at March 31, 2022 |
| Balance at the beginning of the year | 4,721.47 | 2,744.82 |
| Revenue recognised that was included in the contract liability balance at the beginning of the year | (48,999.66) | (31,352.74) |
| Increase due to invoicing during the year, excluding amounts recognised as revenue during the year | 48,477.51 | 33,161.52 |
| Translation exchange difference | 141.65 | 167.87 |
| Balance at the end of the year | 4,340.97 | 4,721.47 |

b. Remaining performance obligations

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

Notes Forming Part of the Financial Statements (Contd.)

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 recognised 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, 2023 that have an original expected duration of one year or less, as allowed by Ind AS 115.

The aggregate value of performance obligations that are completely or partially unsatisfied as of March 31, 2023 is ₹ 45,970.87 lakhs (March 31, 2022: ₹ 31,783.81 lakhs). Out of this, the Company expects to recognise revenue of around 47.11% (March 31, 2022: 56.14%) 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 | ₹ lakhs | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| (i) Principal amount remaining unpaid to any supplier as at the end of the accounting year | 3.16 | 45.94 |
| (ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year | - | - |
| (iii) The amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed date during the year. | 8,205.29 | 3,610.26 |
| (iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed date during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006 | - | - |
| (v) The amount of interest accrued and remaining unpaid at the end of each accounting year | - | - |
| (vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006 | - | - |

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

37. Segment information

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

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



Notes Forming Part of the Financial Statements (Contd.)

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

Revenues and expenses directly attributable to segments are reported under each reportable segment. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

Assets and liabilities of the Company are used interchangeably amongst segments. Allocation of such assets and liabilities is not practicable and any forced allocation would not result in any meaningful segregation. Hence, assets and liabilities have not been identified to any of the reportable segments.

| ₹ lakhs | | |
|---|---|---|
| Particulars | Year to date ended March 31, 2023 | Year to date ended March 31, 2022 |
| Segment revenue | | |
| Software development & services | 3,06,594.75 | 2,42,131.14 |
| System integration & support services | 7,877.50 | 4,948.78 |
| Total | 3,14,472.25 | 2,47,079.92 |
| Segment results | | |
| Software development & services | 1,06,669.67 | 82,894.53 |
| System integration & support services | 381.08 | 248.98 |
| Total | 1,07,050.75 | 83,143.51 |
| Less: Finance costs | 1,619.86 | 942.51 |
| Less: Unallocable expenditure (net of unallocable income) | 11,680.86 | 7,652.10 |
| Profit before tax | 93,750.03 | 74,548.90 |
| Tax expense | 18,230.71 | 19,581.75 |
| Net profit for the year | 75,519.32 | 54,967.15 |

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

| ₹ lakhs | | |
|----------------------------------|---|---|
| Geographic wise Segment Revenues | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| India | 52,154.96 | 39,307.28 |
| US | 1,32,272.28 | 1,04,163.70 |
| Europe | 1,13,950.68 | 75,577.94 |
| Others | 16,094.33 | 28,031.00 |
| Total | 3,14,472.25 | 2,47,079.92 |

Information about major customers:

The revenues of ₹ 3,06,594.75 lakhs (Previous year ₹ 2,42,131.14 lakhs) arising from the software development and services segment includes ₹ 84,968.17 lakhs (Previous year ₹ 62,141.51 lakhs) representing revenue of more than 10% of the total revenue of the Company is from two customers.

Notes Forming Part of the Financial Statements (Contd.)

38. The Company had in the earlier year entered into incubation agreement for providing services pertaining to promotion of business of the entrepreneurs and also providing infrastructure facilities and resources. In consideration for the services rendered shares has been allocated /transferred as under. These investments are valued at fair value through profit and loss.

| Name of the Company | No of shares allotted/ transferred | Face value of shares (₹) |
|--|---------------------------------------|--------------------------|
| Big V Telecom Private Limited | 22,250 | 10.00 |
| Sismatik Solutions Private Limited | 1,000 | 10.00 |
| Street Smart Mobile Technologies Private Limited | 2,000 | 10.00 |

Considering probability of successful outcome of such development and the ability of these entities to commercialise the product being developed, as a matter of prudence the Company has recorded these investments at ₹ 1/-.

39. The sitting fee and commission for non-executive directors is ₹ 625.30 lakhs and ₹ 539.30 lakhs for the financial year 2022-23 and 2021-22 respectively.

40. Additional Regulatory Information - Ratios

| Ratio | Numerator | Denominator | As at March 31, 2023 | As at March 31, 2022 | Variance % | Remarks |
|--|---|---|----------------------------|----------------------------|---------------|---------|
| Current Ratio (in times) | Total current assets | Total current liabilities | 4.83 | 4.13 | 17% | |
| Debt-Equity Ratio (in times) | Total debt consist of Lease liabilities | Total equity | 0.09 | 0.09 | 0% | |
| Debt Service Coverage Ratio (in times) | Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + finance cost + other non-cash adjustments | Debt service = Interest & lease payments | 22.39 | 22.69 | (1)% | |
| Return on Equity Ratio (in%) | Net Profit for the year | Average total equity | 40.97 | 37.23 | 10% | |
| Trade Receivables turnover ratio (in times) | Revenue from operations | Average trade receivables | 3.81 | 4.25 | (10)% | |
| Trade payables turnover ratio (in times) | Cost of materials consumed + Changes in inventories of stock-in-trade + Other expenses | Average trade payable | 6.25 | 5.94 | 5% | |
| Net capital turnover ratio (in times) | Revenue from operations | Working capital (i.e., Total current assets less total current liabilities) | 1.71 | 1.92 | (11)% | |



Notes Forming Part of the Financial Statements (Contd.)

| Ratio | Numerator | Denominator | As at March 31, 2023 | As at March 31, 2022 | Variance % | Remarks |
|--------------------------------------|---|--|----------------------------|----------------------------|---------------|---------|
| Net profit ratio (in %) | Net Profit for the year | Revenue from operations | 24.01 | 22.25 | 8% | |
| Return on Capital employed (in %) | Profit before tax and finance cost | Capital employed = Net worth + Lease liabilities +Deferred tax liabilities | 42.05 | 43.40 | (3)% | |
| Return on investment (in %) | Income generated from treasury investments | Average invested funds in treasury investments | 5.15 | 3.35 | 54%* | |

*due to increase in deposit balances and rate of interest.

41. Dividends

During the year ended March 31, 2023, the Company paid total dividends at ₹ 42.5 and dividend of ₹ 48 per equity share for the year ended March 31, 2022.

Dividends declared by the Company are based on the profit available for distribution. Distribution of dividend out of General Reserve and Retained earnings.

42. The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

43. No funds have been advanced / loaned / invested (from borrowed funds or from share premium or from any other sources / kind of funds) by the Company to any other person(s) or entity(ies), including foreign entities (Intermediaries), with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

No funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding (whether recorded in writing or otherwise) that the Company shall (i) directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Notes Forming Part of the Financial Statements (Contd.)

44. Subsequent event note

On May 18, 2023, the Board of Directors of the Company have proposed a dividend of ₹ 60.60 per share in respect of the year ended March 31, 2023 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, May 18, 2023

for and on behalf of the Board

N G Subramaniam
Chairman
DIN: 0007006215

Gaurav Bajaj
Chief Financial Officer

Bengaluru, May 18, 2023

Manoj Raghavan
Managing Director
DIN: 0008458315

Cauveri Sriram
Company Secretary



About this Report

This report is aligned with the International Integrated Reporting Council's (IIRC) globally accepted framework. Tata Elxsi Limited ('Tata Elxsi' or 'the Company') aims to strengthen its communication to the stakeholders with respect to material activities, value creation process, business highlights and future prospects. The report also follows and adopts guidelines laid out by SEBI with respect to Annual Report.

Scope and Boundary

This annual report comprises of all the relevant aspects of operations of Tata Elxsi Limited. It also consists of the desired statutory disclosures and audited annual financial statements for the year ended March 31, 2023.

Frameworks

The content and structure of our Annual Report is guided by the framework endorsed by the Integrated Reporting Council. Besides, the Company fully complies with the NSE and BSE listings as well SEBI compliances. It is committed to embracing best practices in reporting to ensure transparency and better stakeholder engagement.

Assurance

Tata Elxsi Limited Board of Directors and its subcommittees have reviewed the Report and have satisfied themselves of the materiality, accuracy, and balance of disclosures in this Report. The Board has not sought independent assurance of the Report, other than for the annual financial statement.



TATA ELXSI

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