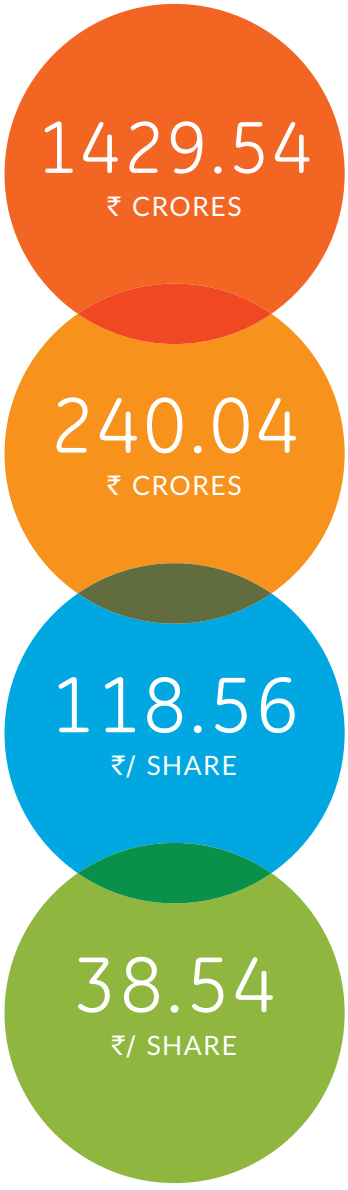
TATA ELXSI

ANNUAL REPORT 2017-18

TECHNOLOGY + DESIGN



FINANCIAL HIGHLIGHTS



TOTAL INCOME

PROFIT AFTER TAX

BOOK VALUE

EARNINGS PER SHARE

TECHNOLOGY + DESIGN

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

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

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

BOARD OF DIRECTORS

as on 26th April, 2018

Mr. N Ganapathy Subramaniam
Chairman

Dr. Gopichand Katragadda
Director

Mr. P McGoldrick
Independent Director

Mrs. S Gopinath
Independent Director

Prof. M S Ananth
Independent Director

Mr. Sudhakar Rao
Independent Director

Mr. Madhukar Dev
Managing Director

COMMITTEES

Audit

Mrs. S Gopinath
Chairperson

Mr. P McGoldrick

Prof. M S Ananth

Corporate Social Responsibility

Mr. Sudhakar Rao
Chairman

Mrs. S Gopinath

Mr. Madhukar Dev

Risk Management

Mr. P McGoldrick
Chairman

Mr. Sudhakar Rao

Mr. Muralidharan H V

Stakeholders' Relationship

Mr. Sudhakar Rao
Chairman

Dr. Gopichand Katragadda

Nomination & Remuneration

Mrs. S Gopinath
Chairperson

Mr. N G Subramaniam

Mr. P McGoldrick

Chief Financial Officer

Mr. Muralidharan H V

Company Secretary

Mr. G Vaidyanathan

Registered & Corporate Office

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

Auditors

BSR & Co. LLP
Chartered Accountants

Registrars & Share Transfer Agents

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

MESSAGE FROM THE **CHAIRMAN**



Dear Shareholder,

It is my privilege and honour to be writing to you on this occasion. Your company has performed well in its strategic growth areas in FY17-18, reporting a 16% growth in total income and 38% increase in PBT as compared to FY16-17.

While the global macro-economic outlook continues to be dynamic with currency volatility and market uncertainties, our concerted efforts in focusing on select industries and putting our customers always at the center of everything we do, has resulted in improved top line and bottom line performance.

Your company is recognized as a specialized service provider for product design and engineering services. Our integrated technology and design teams help enterprises re-imagine their products and services - from strategy, consumer research and insights, to service and experience design, technology implementation, integration, launch and beyond.

Technology convergence and digital technologies are creating new opportunities to impact customer experience and fuel the growth of brands and businesses across the world. It is an era characterized by unprecedented volume, variety and velocity of innovation. And these possibilities will be multiplied by emerging technology breakthroughs in fields such as artificial intelligence, robotics, the Internet of Things, autonomous vehicles, 3-D printing, nanotechnology, biotechnology, materials science, energy storage, quantum computing and more.

Your Company has been investing in key digital technologies over the past few years, through Centers of Excellence in areas such as AI and Analytics, Extended Reality, and Automation. This complements the integrated technology and design services offerings and helps us create greater value for our customers across industries.

Your company is developing products and solutions that leverage digital technologies for key industry verticals - such as autonomous driving, monitoring quality of experience, and test automation. We will continue to invest in new technology areas, design capabilities and talent development to meet the current and emerging needs of our customers.

For the first time in the history of the Company, your Company had issued bonus shares in the ratio of 1:1 to all shareholders, in September 2017.

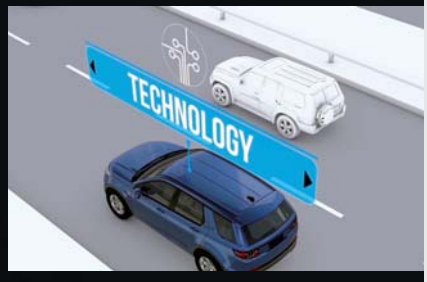
I am pleased to inform you that our Board of Directors has recommended a final dividend of Rs. 11 per share.

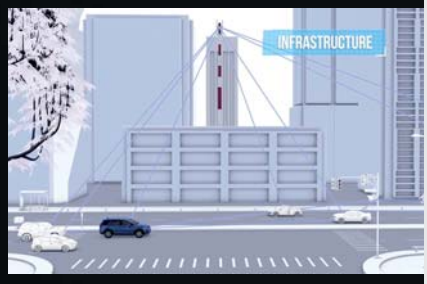
On behalf of the entire Board of Directors and the management team, I would like to thank you for your continued support and encouragement.

N G Subramaniam

Technology Services and Product Engineering









Driverless Car Software for Autonomous Cars



Intutive UX / UI for Hybrid DTH Set Top Box

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

Emerging technologies such as IoT (Internet of Things) and Analytics are creating new opportunities to drive operational efficiency, reduce costs, deliver new services to consumers and enable new streams of revenues for operators and product manufacturers. We actively support customers in these new technologies and help them in their digital transformation journey.

We are actively investing in developing solutions and software components that help accelerate time to market and innovation for our customers. This includes solutions for next-gen infotainment and driverless cars, test automation and video quality monitoring.

AWARDS

'BEST ELECTRONICS DESIGN COMPANY'
ELECTRONICS MAKER BEST OF INDUSTRY AWARDS 2017



'SUPPLIER EXCELLENCE AWARD' 2017'
JAGUAR LAND ROVER







'HIGH GROWTH IN WOMEN EMPOWERMENT – IT' IN THE CATEGORY OF OVER 1000 EMPLOYEES
STPI IT EXPORT AWARD 2016-17

Industrial Design and Visualization

UX - HMI for Future Autonomous Cars





Innovation - Fixed Dose Pen for Drug Delivery

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

Our expertise extends across consumer insight, branding, industrial design, visual design & merchandising, design engineering and manufacturing support.

Our design services span digital and physical aspects, to provide users with products, solutions and services that humanize the complexity of the underlying technologies and make them intuitive and easy to use - driving customer delight, loyalty and business growth.

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

Packaging Design & Branding - Mother Diary



Product Design - Orient Aerostorm



AWARDS

'INDIA'S BEST DIGITAL DESIGN STUDIO 2017'
POOL MAGAZINE





'INTERACTION DESIGN AWARD'
CII DESIGN EXCELLENCE AWARDS 2017



'OVERALL CATEGORY WINNER IN VISUAL COMMUNICATION'
CII DESIGN EXCELLENCE AWARDS 2017

Systems Integration Services

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

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

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



Experience Center



Virtual Reality

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NOTICE

Notice is hereby given that the **TWENTY-NINTH ANNUAL GENERAL MEETING** of **TATA ELXSI LIMITED** will be held on Wednesday, July 25, 2018 at 12:30 pm., at St. John's Auditorium, John Nagar, Koramangala, Bengaluru - 560 034, to transact the following business:

Ordinary Business

1. To consider and adopt the Audited Financial Statement of Profit and Loss Account for the year ended March 31, 2018 and the Audited Balance Sheet as at that date together with the Cash Flow Statement and the reports of the Directors and Auditors thereon.
2. To declare dividend on equity shares for the financial year 2017-18.
3. To appoint a Director in place of Mr. N. Ganapathy Subramaniam who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify the re-appointment of M/s. BSR & Co. LLP, Chartered Accountants (Regn No. 101248W/W-100022) as Statutory Auditors of the Company, who have been appointed at the 28th Annual General Meeting held on July 27, 2017 for a period of five years up to the conclusion of 33rd Annual General Meeting to be held in the year 2022.

Bengaluru, April 26, 2018

By Order of the Board

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

G. Vaidyanathan
Company Secretary

NOTES:

a) The relevant details of the person seeking re-appointment/appointment as Director under Item No. 3 above, pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 is annexed hereto.

b) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. The instrument appointing proxy, in order to be effective, must be deposited, at the Company's Registered Office duly completed and signed, not less than FORTY-EIGHT hours before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolution / authority as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as proxy for any other person or shareholder.

c) Members desirous of getting any information in respect of Accounts of the Company are requested to send their queries in writing to the Company at the Registered Office so as to reach at least 7 days before the date of the Meeting so that the required information can be made available at the Meeting.

d) Members / Proxies attending the Meeting are requested to bring their copy of the Annual Report for reference at the Meeting as also the Attendance Slip duly filled in for attending the Meeting.

e) Register of Members and Transfer Books of the Company will remain closed from July 18, 2018 to July 25, 2018 (both dates inclusive) for the purpose of determining the shareholders entitled to the payment of Dividend declared, at the Annual General Meeting on July 25, 2018 for the year ended March 31, 2018.

Dividend on shares, when declared, will be paid only to those members whose names are registered as such in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company on or before July 17, 2018 and to the Beneficial Holders as per the Beneficiary List as on July 17, 2018 provided by the NSDL and CDSL.

f) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number

(PAN) by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit the PAN to their Depository Participant with whom they are maintaining their demat account. Members holding shares in physical form can submit their PAN details to the Company.

g) Electronic copy of the Annual Report 2017–18 is being sent to all the members whose email IDs are registered with the Company / Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report 2017-18 are being sent in the permitted mode.

h) Members may also note that the Notice of the 29th Annual General Meeting and the Annual Report 2017-18 will also be available on the Company's website www.tataelxsi.com for their download. The physical copies of the aforesaid documents are also available in the Company's Registered Office in Bengaluru for inspection during normal business hours on any working day. Members, who have registered their email IDs for receiving all communication by electronic means, are also entitled to receive such communication in physical form, upon making a request for the same, by post, free of cost. For any communication, the shareholders may also send requests to the Company's dedicated investor email-id: **investors@tataelxsi.com.**

i) Voting through electronic means:

I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

IV. The remote e-voting period commences on July 22, 2018 (9:00 am) and ends on July 24, 2018 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of July 18, 2018, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

V. The process and manner for remote e-voting are as under:

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s)]:

(i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

(ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com/

(iii) Click on Shareholder - Login

(iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

(v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

(vii) Select "EVEN" ("E-Voting Event Number") of "Tata Elxsi Limited" **EVEN 108495**.

(viii) Now you are ready for remote e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to **telscrutinizer@gmail.com** with a copy marked to **evoting@nsdl.co.in.**

B. In case a Member receives physical copy of the Notice of AGM for members whose email IDs are not registered with the Company/Depository Participants(s) or have requested for physical copy:

(i) Initial password is provided as below at the bottom of the Attendance Slip for the AGM:

EVEN (Remote e-voting Event Number) USER ID PASSWORD/PIN

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of **www.evoting.nsdl.com** or call on toll free No. 1800-222-990.

VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/ PIN for casting your vote.

VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

IX. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of July 18, 2018.

X. 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. July 18, 2018, may obtain the login ID and password by sending a request at **evoting@nsdl.co.in** or **csg-unit@tsrdarashaw.com.**

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on **www.evoting.nsdl.com** or contact NSDL at the following toll free No. 1800-222-990.

XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

XIII. Mrs. Jayashree Parthasarathy, Practicing Company Secretary (Membership No. 4610) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM

a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XVI. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at **www.tataelxsi.com** and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE and NSE.

j) All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days, up to and including the date of the Annual General Meeting of the Company.

k) Members holding shares in electronic form may please note that as per the regulations of National Securities Depository Ltd (NSDL) and Central Depository Services (India) Limited (CDSL), the Company is obliged to print the bank details on the dividend warrants as furnished by these Depositories to the Company and the Company cannot entertain any request for deletion / change of bank details already printed on dividend warrants as per information received from the concerned Depositories. In this regard, Members should contact their Depository Participant (DP) and furnish particulars of any changes desired by them.

l) Members who have not received their dividend paid by the Company in respect of earlier years, are requested to check with the Company's Registrars & Transfer Agents i.e. M/s. TSR Darashaw Limited, 6-10 Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011. Members are requested to note that in terms of Section 125 of the Companies Act, 2013 any dividend unpaid / unclaimed for a period of 7 years from the date these first became due for payment, is to be transferred to the Central Government to the credit of the Investor Education & Protection Fund. Thereafter, no claim shall be entertained by the company in respect of the dividend transferred to the Fund.

Members who have not yet encashed their dividends for the financial year ended March 31, 2011 onwards are being individually intimated and are requested to make their claims to the Company's Registrars & Transfer Agents accordingly, without delay. It may be noted that the unclaimed dividend for the financial year ended 31st March, 2011 are due for transfer to the Investor Education & Protection Fund on August 27, 2018. The details of unclaimed dividend for the financial years from 2010-11 to 2016-17 are uploaded on the Company's website at **http://www.tataelxsi.com/investors/unclaimed-divided-amount.**

It may be noted that the Ministry of Corporate Affairs (MCA) has recently notified the "Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016", which have come into force from September 7, 2016 as amended vide MCA notification dated February 28, 2017 and October 13, 2017. The said Rules inter-alia provides for transfer of equity shares to the IEPF Authority in respect of those equity shares against which the dividends have remained unpaid or unclaimed for seven or more consecutive years. In terms of the said rules the Company has sent reminders to all the investors who have not encashed their dividend for the previous 7 years or more to claim their dividend. The Company has transferred the underlying shares to the IEPF Authority as per the procedure set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. The details of those equity shares along with the folio number; name of the shareholders are available at the company's website at **http:/www.tataelxsi.com/investors-relations.html.**

m) Shareholder/s holding physical shares are requested to approach any of the Depository Participants (DP) for dematerialisation of their shares in the Company for ease and convenience.

n) Sole shareholders, if they so desire, can file the nomination form, available at page number 99. The duly filled in and executed form may please be sent to the Company or to the Registrar and Share Transfer Agent for further action.

o) The route map for reaching the venue of the 29th Annual General Meeting is given at page number 101.

Bengaluru, April 26, 2018

By Order of the Board

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

G. Vaidyanathan
Company Secretary

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

The following Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, ('the Act') sets out all material facts relating to the business mentioned at Item No. 4 of the accompanying Notice:

Item No. 4 (Not mandatory)

At the Annual General Meeting held on July 27, 2017, M/s. BSR & Co. LLP, Chartered Accountants (Regn No. 101248W/W-100022), were appointed as the Statutory Auditors of the Company for a period of five (5) years up to the conclusion of 33rd Annual General Meeting of the Company to be held in 2022.

In terms of the provisions of Section 139(1) of the Act, the appointment of Statutory Auditors for the above tenure is subject to ratification by members at every AGM.

Accordingly, ratification of the members is sought for the business as set out in Item No.4 of the Notice.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMPs is concerned or interested in the proposed business at Item No.4 of the Notice.

Bengaluru, April 26, 2018

By Order of the Board

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

G. Vaidyanathan
Company Secretary

ANNEXURE

Information pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding appointment of new Director/s or reappointment of Director/s;

Name of the Director	**Mr. N. Ganapathy Subramaniam**
Date of Birth	20.05.1959
Date of appointment	01.11.2014
Specialised Expertise	IT Industry and General Management.
Qualifications	M.Sc. (Mathematics)
Directorships of other companies* as at March 31, 2018	Tata Consultancy Services Limited
Chairmanship/Membership of other Committees** as at March 31, 2018	-
Number of shares held in the Company as on March 31, 2018	Nil

* Excludes private/foreign companies

** Only Audit and Stakeholders Relationship Committees are considered

DIRECTORS' REPORT TO THE MEMBERS

1. Your Directors are pleased to present the Twenty Ninth Annual Report on the business and operations of the Company along with the Audited Statements of Accounts for the financial year ended March 31, 2018.

2. Result of Operations - Extract

₹ In Crores

	2017-18	2016-17
Revenue from Operations	1386	1237
Other income	43	(5)
Total Income	**1429**	**1232**
Profit before financial expenses, depreciation and exceptional items	389	291
Less: Financial expenses	-	-
Depreciation/Amortization	25	27
Profit before tax	**364**	**264**
Less: Provision for Income tax	124	89
Profit after tax	**240**	**175**
Other comprehensive income	1	-3
Total comprehensive income	**241**	**172**
Add: Profit brought forward	439	329
Less: Dividend and Dividend Tax*	60	52
Transfer to General Reserve	10	10
Balance Profit carried to Balance Sheet	**610**	**439**

*Pertains to previous years

3. Dividend

Your Directors recommend for your approval, a dividend of 110% (₹ 11/- per share) for the year ended 31st March, 2018 on 6,22,76,440 equity shares of ₹ 10/- each fully paid-up, compared to 160% (₹ 16/- per share) on 3,11,38,220 equity shares of ₹ 10/- each fully paid-up in the previous year.

This will involve an outgo of ₹ 82.60 crores compared to ₹ 59.96 crores in the previous year, including dividend distribution tax.

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

4. Capitalization of Reserves

Your Directors at their meeting held on July 27, 2017 had recommended the capitalization of reserves of the Company for issuance of Bonus Shares to the shareholders in the ratio of 1 (one) bonus equity share of ₹10/- each fully paid-up for every 1(one) existing equity share of ₹10/- each fully paid-up (in the ratio of 1:1) held by the shareholders as on the "Record date". The said capitalization was approved by the members vide postal ballot.

The Allotment Committee at its meeting held on September 20, 2017 approved the allotment of 3,11,38,220 equity shares of ₹10/- each fully paid-up as Bonus equity shares to those shareholders/beneficiaries whose name appeared on Register of Members/Depositories as on the record date i.e., September 19, 2017 and has been duly listed with BSE and NSE.

The trading of the said Bonus Equity Shares was granted by Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) on and from September 27, 2017 respectively.

5. Reserves

Your Directors have approved a transfer of ₹ 10 crores to the General Reserves for the year ended 31st March, 2018, as against an amount of ₹ 10 crores in the previous year.

6. Review of Operations

The total income during the year under review increased by 16 % from ₹ 1232 crores in the previous year to ₹ 1429 crores.

The Profit Before Tax (PBT) increased by 38 % from ₹ 264 crores in the previous year to ₹ 364 crores. The Profit After Tax (PAT) increased by 38 % from ₹ 175 crores in the previous year to ₹ 240 crores.

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

7. MANAGEMENT DISCUSSION AND ANALYSIS

Industry Outlook

According to NASSCOM, India's IT-BPM industry (excl. eCommerce) is expected to grow 8% in FY18 to $ 167 billion from $ 154 billion in FY17.

Engineering Research & Development continues to be the fastest growing segment at over 12%, driven by global OEMs increasingly embedding software & services into their products.

India continues to be the core for digital innovation with a rich ecosystem of start-ups, tech providers and services providers engaging in global delivery and investing in IP, solutions and Centers of Excellence (CoEs).

Business Analysis

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

Software Development and Services

This business segment grew by 14% from ₹ 1171 crores in the previous year to ₹ 1329 crores in FY18. The segment profit increased by 37% from ₹ 290 crores in the previous year to ₹ 396 crores during FY18.

Tata Elxsi has consistently maintained leadership positions globally in the Automotive and Broadcast industries.

Tata Elxsi's integrated Design and Technology teams help enterprises re-imagine their products and services - from strategy, consumer research and insights, to service and experience design, technology implementation, integration, launch and beyond.

Your Company's design capabilities differentiates it from the competitors and its leadership in design and other verticals has helped it retain the customer's trust and exceed the sector benchmark over the years.

Leveraging Digital

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

As an example, Panasonic Appliances has selected your company as their strategic global R&D partner. Your company has established an Offshore Development Center (ODC) to enable Panasonic to bring in advanced technologies such as robotics and AI to create smart and futuristic products for global markets.

During this financial year, we launched a Centre of Excellence (CoE) for Virtual and Augmented Reality, in partnership with Unity Technologies – the company behind the world's leading platform used to create real-time interactive 2D, 3D, VR and AR experiences. The CoE will serve as a global innovation platform, enabling it to support its customers in developing new applications across industries for marketing, promotions, operations and workforce training.

Your Company is also investing in developing products and solutions that leverage digital technologies for key industry verticals - such as AUTONOMAI, Tata Elxsi's software platform for driverless cars; and FalconEye, an integrated test automation and Quality of Experience monitoring platform for the online video and broadcast industry.

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

Embedded Embedded Product Design

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

We have been awarded the 'Best Electronics Design Company' award at the 3rd edition of Electronics Maker Best of Industry Awards 2017. The award honors leading performers in the industry, best Individual Contributors, Organizations that drive the industry forward, and provide them with a platform to highlight their achievements & product successes.

The key sectors addressed by EPD include:

Transportation

Tata Elxsi works with leading OEMs, system suppliers, and software and silicon providers in the automotive and transportation industries for R&D, design and product engineering services from architecture to launch and beyond.

We bring together expertise in mechanical, software and electronics development, domain experience across Infotainment, Active Safety, Telematics, Electric and Hybrid powertrains, Body & Chassis systems, along with technologies such as artificial intelligence, analytics, cloud and IoT.

We are among the few companies in the world to be accredited with Automotive SPICE Level 5 certification, which is a testimony to the quality of our technology and software development.

We are proud to have been awarded the Jaguar Land Rover Supplier Excellence Award for 2017. This award recognizes our excellent on-time delivery, continuous quality, technical innovation and consistently meeting production and design challenges. This is a testimony to the customer focus and delivery excellence that Tata Elxsi brings to its clients across the world.

Over the next decade there will be a major shift to Autonomous vehicles in key markets. We have invested in internal innovation and capability building in these area, along with strategic investments in creating IPs and solutions, and are well positioned to addressing this emerging area.

We have licensed our advanced autonomous vehicle middleware platform "AUTONOMAI" to one of the world's top five automotive OEMs for their driverless car R&D.

As the number of connected cars grow, security becomes even more critical to ensure a safe driving experience while still providing the connectivity that consumers desire. Tata Elxsi has partnered with leading technology providers such as Irdeto and BlackBerry Technology Solutions to help companies design and develop secure, mission-critical solutions for the automotive industry.

Tata Elxsi is member and active contributor in leading consortiums related to the automotive industry and technology standards bodies such as AUTOSAR.

We participated in leading trade shows and events across geographies, such as the CES 2018 (Consumer Electronics Show) in Las Vegas, China International Connected & Autonomous Vehicles 2017 in Shanghai and VDI ELIV in Germany, where we showcased our capabilities and new product offerings for autonomous vehicles, connected cars and next-gen infotainment.

Broadcast and Communications

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

The Broadcast and Communications industries are rapidly converging with Broadcasters & Telecom operators both vying for share of consumer wallet for voice, data, and content services.

Your Company is at the forefront of enabling digital transformation for leading media companies and operators across the world, helping them develop innovative services and applications that create subscriber stickiness and drive revenue growth.

Tata Elxsi has been chosen by Airtel as a technology partner for system integration for their Internet TV. Tata Elxsi has developed and integrated key software components to ensure that the Android TV application suite provides a seamless user experience whether the viewer accesses online or offline content.

Across the world, consumers are increasingly preferring direct consumption of content over-the-top (OTT) via devices such as Smart TVs, Mobiles and Tablets. Tata Elxsi's OTT services helps customers launch multi-platform OTT services, supported by tools for content analytics, content discovery, Ad integration and 24x7 monitoring support.

Tata Elxsi has partnered with ZEE5, the newly launched digital entertainment destination by Zee Entertainment for multi-platform front-end application development of its new digital entertainment platform. This includes multi-lingual front-end user experience and next generation voice-based user interfaces across devices.

Globally, telecom operators are moving towards virtualization and creating Software Defined Networks (SDN) to reduce capital & operating expenditures.

Tata Elxsi has a comprehensive portfolio of SDN and virtualization services that enable global customers to deliver business service agility in their next generation networking technology solutions, and is engaged with leading operators in these areas.

We continue to participate in leading international industry events such as IBC 2017 (International Broadcasting Convention), to reiterate our established presence and brand in these industries.

Industrial Design and Visualization

Tata Elxsi helps customers develop enduring brands and products by using design as a strategic tool for business success. Our expertise extends across consumer insight, branding, industrial design, visual design & merchandising, design engineering and manufacturing support.

Our design services span digital and physical aspects, to provide users with products, solutions and services that humanize the complexity of the underlined technologies and make them intuitive and easy to use, driving customer delight, loyalty and business growth.

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

As an example, your Company has been selected by the Airports Authority of India (AAI) to improve passenger experience for all AAI managed airports. As a strategic design partner, we will help AAI to provide a seamless passenger travel experience and will be primarily responsible to set the wayfinding and information design guidelines for all AAI airports coming up in the future. We have already commenced work to redefine the passenger experience for 10 airports - Goa, Kolkata, Varanasi, Lucknow, Chennai, Bhubaneshwar, Pune, Trivandrum, Coimbatore, and Guwahati.

Your Company has been awarded India's Best Digital Design Studio 2017 by Pool magazine for our exceptional work delivered in digital design for Kochi Metro.

It was also awarded with the 'Interaction Design Award' and 'Overall Category Winner in Visual Communication' at the CII Design Excellence Awards 2017. These awards acknowledge and celebrate outstanding design and innovation, and reflect the high quality of our work and our strong commitment to consumer-focused innovation.

Systems Integration and Support

During the year under review, our Systems Integration & Support segment reported a turnover of ₹ 57crores and profit of ₹ 8 crores.

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

We have also expanded our solution portfolio, with technologies like 3D printing to cater to emerging industry needs.

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

Threats, concerns and risks

While 87% of your Company's revenue comes from outside India, we foresee minimized impact on our cost structures as the majority of the delivery team is based in India.

Tata Elxsi's revenue is well distributed between Euro, GBP and US dollar currencies, which protects us from currency related risks arising from any single currency. We also have a hedging policy in place to manage foreign exchange risk.

Despite the uncertain political climate in Eurozone, the confidence in the economy remains high. Economic confidence across the 19 countries that use the euro currency is at its highest in more than 17 years, according to a survey published by the European Commission.

The Eurozone grew faster than the US region in 2017 and is expected to grow further in 2018. For Tata Elxsi, Europe remains another important customer region, and positive economic sentiments will have positive impact towards our demand generation, despite UK leaving the European Union (EU).

The company has consciously built an offshore oriented delivery model to derisk potential visa and foreign policy related uncertainties in key overseas geographies.

Internal Control Systems and their adequacy

We believe that internal control and risk management are necessary prerequisites of the principle of governance. Our Management is committed to ensuring an effective internal control environment, commensurate with the size and complexity of the business which provides assurance on the efficiency of operations and security of assets. We have an effective internal control which ensures that all our assets are safeguarded and protected against any losses.

We have appointed Deloitte Haskins & Sells LLP to oversee and carry out quarterly internal audit of its activities. The audit is based on an internal audit plan, which is reviewed each year in consultation with the CFO and MD and their audit plans are approved by the Audit Committee. Over the years, the internal audit has been oriented towards the review of internal controls in its operations such as revenue, legal & statutory compliance, accounting and finance, procurement, employee engagement, IT processes and information security etc.

Based on the internal audit reports, process owners undertake corrective actions in their respective areas and thereby strengthen the controls. Internal Audit Reports along with corrective actions are discussed with the management and are reviewed by the Audit Committee. Suggestions for improvement are considered and the Audit Committee follows up on corrective action.

Financial Analysis

Particulars	2017-18	2016-17	Change over previous year %	Percentage of Income	
	₹ Crs			2017-18	2016-17
Sales and services	1386	1237	12.05	96.99	100.41
Other income	43	(5)	960.00	3.01	-0.41
Total Revenues	1429	1232	15.99	100.00	100.00
Cost of sales	77	76	1.32	5.39	6.17
Personnel expenses	749	666	12.46	52.41	54.06
Financial expenses	-	-	-	-	-
Depreciation/ Amortization	25	27	-7.41	1.75	2.19
Other expenses	214	199	7.54	14.98	16.15
Total Expenditure	1065	968	10.02	74.53	78.57
Profit before tax and exceptional items	364	264	37.88	25.47	21.43
Tax expenses	124	89	39.33	8.68	7.22
Profit after tax for the year	240	175	37.14	16.79	14.21

Analysis of Overheads

Particulars	2017-18 ₹ Crs	2016-17 ₹ Crs	Variance %
Operating lease rent	17.04	16.15	5.51
Communication expenses	10.95	10.80	1.39
Travel and conveyance	74.29	64.85	14.55
Consultant fees	50.88	53.06	(4.11)

Significant Ratio Analysis

Particulars	Unit	31.03.18	31.03.17
Earnings before interest, depreciation and tax / Sales	%	28.08	23.53
Profit before taxes / Sales	%	26.25	21.36
Profit after taxes / Sales	%	17.32	14.13
Current Ratio	No. of times	4.23	4.30
Earnings per share	₹	38.54	28.07

Human Resources

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

Your Company undertakes significant initiatives to increase effectiveness and efficiency through Leadership training, Performance management, Talent development, Employee engagement and Succession planning.

Your Company believes in Diversity & Inclusion and is committed to the principle of Equal Employment Opportunity for all employees.

We have been awarded the STPI IT Export Award 2016-17 for 'High growth in Women Empowerment – IT' in the category of over 1000 employees. About 25% of our total workforce comprises of female employees, underscoring the emphasis that Tata Elxsi places on providing equal opportunities for its workforce.

Our total headcount,excluding associates, was 5287 as of March 31, 2018.

Quality initiatives

We have instituted strong quality processes in the execution of our software development projects, and I implemented robust information security management processes to assure our global customer base of the required level of confidentiality and protection of data and information. To this effect, we have been assessed and certified organization wide for ISO 9001:2015 and ISO 27001:2013 and our systems are SEI CMMi L5 compliant. Additionally, we have been audited and certified for industry-specific standards in the design and development of medical devices with ISO 13485:2012 certification, and for our transportation business, we have Automotive SPICE® Level 5 certification.

8. Directors and Key Managerial Personnel

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

During the year under review, Six (6) Board meetings were held and have been well attended by the Directors. The calendar of meetings for the year 2018-19 has been circulated to all the directors detailing the schedule of Board and Committee meetings during 2018-19.

The Independent Directors have submitted their declaration that they fulfill the requirements as stipulated in Section 149 (6) of the Companies Act, 2013. Pursuant to Clause VII (1) of Schedule IV of the Companies Act, 2013 the Independent Directors had a separate meeting on 26th April, 2017.

During the year under review, Mr. K Ramaseshan, the then Chief Financial Officer, tendered his resignation from the services of the Company with effect from June 01, 2017.The Board, on the recommendation of the Audit Committee, had at its meeting held on July 27, 2017 appointed Mr. Muralidharan H.V as the Chief Financial Officer (CFO) of the Company with effect from July 27, 2017.

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

9. 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 2017-18.

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

(a) In the preparation of the annual accounts the applicable accounting standards had been followed along with proper explanations relating to material departures;

(b) The directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of our state of affairs at the end of the financial year and of our profit and loss for that period.

(c) The Directors had taken proper and sufficient care, for the maintenance of adequate accounting records, in accordance with the provisions of Companies Act 2013, for safeguarding the assets and for preventing and detecting fraud and other irregularities;

(d) The Directors have prepared the annual accounts on a going concern basis.

(e) The directors had laid down internal financial controls to be followed by us and that such internal Controls are adequate and were operating effectively.

(f) The Directors have devised proper systems to ensure compliance with provisions of all applicable laws and that such systems were adequate and operating effectively.

10. Particulars on Remuneration

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

Particulars pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 are provided as under:

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

Non-Executive Director	**Ratio to median remuneration**
Mr. N G Subramaniam*	-
Mr. Patrick McGoldrick	10.04
Mrs. S. Gopinath	13.26
Dr. G Katragadda*	-
Prof. M.S. Ananth	6.83
Mr. Sudhakar Rao	10.44
Executive Director	
Mr. Madhukar Dev, MD & CEO	84.66

For Non-Executive Directors (NEDs) only Commission is considered.

*No Commission was provided for the year 2017-18

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

Directors, Managing Director & CEO, Chief Financial Officer and Company Secretary	% increase in the remuneration of Directors/KMP in the Financial year
Mr. N G Subramaniam**	-
Mr. Patrick McGoldrick	96.77
Mrs. S. Gopinath	54.61
Dr. G Katragadda**	-
Prof. M.S. Ananth	139.00
Mr. Sudhakar Rao*	-
Mr. Madhukar Dev, MD & CEO	18.32
Mr. K. Ramaseshan, CFO*	-
Mr. Muralidharan H.V, CFO*	-
Mr. G Vaidyanathan, Company Secretary	27.66

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

**since no commission was provided for 2017-18.

(iii) The percentage increase in the median remuneration of employees in the financial year: 9%

(iv) The number of permanent employees on the rolls of company: 5287

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

The average increase in salaries of employees other than managerial personnel in 2017-18 was 11%. Percentage increase in the managerial remuneration for the year was 19%.

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

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

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

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

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

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

12. Business Responsibility Report (BRR)

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

13. Risk Management Policy

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

14. Corporate Social Responsibility

Corporate Social Responsibility (CSR) Committee has been constituted for the purposes of recommending and monitoring the CSR initiatives of the Company.

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

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

15. Corporate Governance

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

16. Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Ms. Jayashree Parthasarthy, a Company Secretary-in-Practice, was appointed to undertake the Secretarial Audit. The Report of the Secretarial Audit for the year ended 31st March, 2018 is attached to the Directors' Report at page No. 36.

17. Prevention of Sexual Harassment

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

No complaints have been raised during the year 2017-18.

18. Vigil Mechanism

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

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

The said policy has been posted on our intranet where all the employees have access. Our Company conducts 'Policies Awareness Campaign' regularly for its employees at its various centers, and the WBP features in these campaigns.

19. Others

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

The extract of Annual Return in MGT-9 is attached and forms part of the Directors' Report. We have neither accepted nor renewed any deposit during the year under review.

The Unclaimed Dividend in respect to the financial year 2010-11 is due for remittance to Investors' Education & Protection Fund (IEPF) on August 27, 2018 in terms of Section 125 of the Companies Act, 2013.

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

Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has transferred 254,226 equity shares pertaining to those shareholders who have not claimed their dividend for 7 consecutive years since 2009 and 2010, to the IEPF account on 30th November, 2017.

20. Auditors

M/s BSR & Co. LLP, Chartered Accountants, the statutory auditors of the company have been appointed at the 28th Annual General meeting held on April 27, 2017 for a period of 5 years from the conclusion of 28th Annual General Meeting up to the conclusion of the 33rd Annual General meeting to be held in the year 2022, whose re-appointment is to be ratified at the ensuring Annual General Meeting. Accordingly, ratification of the reappointment is included in the Notice to this Annual General Meeting.

21. Acknowledgements

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

On behalf of the Board of Directors

N.G. Subramaniam
Chairman

Bengaluru, April 26, 2018

Affirmation regarding Compliance with the Code of Conduct

The Company has adopted a Code of Conduct for all its employees, including the Managing Director. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors. Both these Codes are available in the Company's website (www.tataelxsi.co.in)

I hereby confirm that all Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct applicable to them in respect of the year ended March 31, 2018.

Madhukar Dev
Managing Director

Bengaluru, April 26, 2018

ANNEXURE "A" TO DIRECTORS' REPORT

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

1. Conservation of Energy

Tata Elxsi strives for environmental sustainability and complies with all applicable laws and regulations, in all its services. We also seek to prevent the wasteful use of natural resources and are committed to improving the environment, particularly with regard to the emission of greenhouse gases, consumption of water and energy, and the management of waste and hazardous materials.

Few of our initiatives towards reducing negative environmental impact include:

Transportation: Deployment of mass transport for our employees through an arrangement with Bengaluru Metropolitan Transport Corporation (BMTC) for buses.

Energy conservation: We continue to pursue and adopt appropriate energy conservation measures, which include using technology to monitor and control the power consumption of ACs and other related equipment, use of energy efficient light bulbs, using technology for switching off computer monitors, motion sensors for lighting controls, etc. Our emissions and waste generated are well within the limits prescribed by State Pollution Control Board.

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

2. Technology absorption, adaption and innovation

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

A certain portion of our talent base is dedicated to developing expertise in emerging technologies and standards. This is achieved through training and in-house R&D projects, further supported by technology partnerships, subscriptions and active participation in technology forums and trade shows. These help in enabling new technology familiarity for the engineering teams, as part of the continuous training and human resource development.

These programs also facilitate in 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 confidentiality of work being executed for existing customers in the same area.

Further, certain programs are focused on creating reusable software components and frameworks which have the potential to generate future revenue streams through commercialization and licensing.

R&D Activities and Expenditure

During the year, we invested 1.5% of revenue towards in-house R&D projects. We intend to continue investing in technology IP development, especially those related to automotive, broadcast and communications.

Expenditure incurred in the R&D centers and innovation centers during the financial year 2017-18 are given below:

i. Capital : ₹ 1.93 crores

ii. Recurring : ₹ 19.91 crores

iii. Total : ₹ 21.84 crores

iv. Total R&D expenditure as a percentage total turnover: 1.5%

3. Foreign Exchange earnings and outgo

Export revenue constituted 87% of the total revenue in financial year 2017-18

(₹ Crores)

Foreign exchange earnings	1237.08
CIF Value of imports	20.20
Expenditure in foreign currency	427.01

ANNEXURE "B" TO DIRECTORS' REPORT

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

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company: L85110KA1989PLC009968
2. Name of the Company: Tata Elxsi Limited
3. Registered address: ITPB Road, Whitefield, Bengaluru 560048, India
4. Website: www.tataelxsi.com
5. E-mail Id: investors@tataelxsi.com
6. Financial Year reported: April 1, 2017 to March 31, 2018
7. Sector(s) that the Company is engaged in (industrial activity code-wise): 620
8. List three key products/services that the Company manufactures/provides (as in balance sheet):
    - Software Development & Services
        - o Technology consulting, new product design, development, and testing services
        - o Consumer Insights & Strategy, Visual Design & Branding, Product & Packaging design, User Experience design, Service Experience Design & Transportation Design
        - o High-end content and 3D Animation services
    - Systems Integration & Support
        - o Implement and integrate complete systems and solutions for High-Performance Computing, CAD/CAM/ CAE/PLM, Broadcast, Virtual Reality, Storage, and Disaster Recovery
        - o Professional Services for maintenance and support of IT infrastructure in India and overseas
9. Total number of locations where business activity is undertaken by the Company
    a) Number of International Locations (Provide details of major 5): Sales operations are in fourteen international locations including France, Germany, Japan, UAE, UK, and USA.
    b) Number of National Locations: The Company is headquartered in Bengaluru, and operates through nine design and development centers and seven sales offices.
10. Markets served by the Company – The Company deliver design and engineering services, catering to both national and international markets.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR): ₹ 6,227.64 Lakhs
2. Total Turnover (INR): ₹ 142,954.36 Lakhs
3. Total profit after taxes(INR): ₹ 24,003.79 Lakhs
4. Total Spending on Corporate Social Responsibility(CSR) as percentage of profit after tax (%): Two (2)
5. List of activities in which expenditure in 4 above has been incurred: -

Description	**Project Outlay (in ₹)**
Shiksha, Niramay and Others	375 Lakhs

* Please refer to the CSR Report in Page No. 26 of this Annual Report

SECTION C: OTHER DETAILS

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

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

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

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

b) Details of the BR head

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

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

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

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

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

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

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

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

3. Governance related to BR

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

Annually

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

The Company's Business Responsibility Report is a part of the Annual Report. It is also hosted on the company's website – www.tataelxsi.com/investors/BRR1718.pdf.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

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

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

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

   No concerns/complaints were received relating to ethics, bribery and corruption from any of our stakeholders during 2017-18.

Principle 2

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

   a) Product Design: Products designed by us have been awarded the I Mark (India Design Mark) which signifies good design not only in terms of form and aesthetic appeal, but also in terms of product quality, functionality, safety, sustainability, usability and social responsibility. We also work with leading FMCG and product companies in creating sustainable packaging design and environmentally friendly products that lowers carbon footprint and is recyclable and biodegradable.

b) **Sustainable Transport:** In the automotive industry, we work with leading OEMs and suppliers in mechanical and electronic design for electric / hybrid vehicle, to help reduce pollution and fossil fuel consumption.

c) **Restriction of Hazardous Substances (RoHS):** We work with our customers in building RoHS compliant hardware design and testing RoHS compliance. The RoHS directive restricts the use of certain hazardous substances, namely Lead, Mercury, Cadmium, Hexavalent chromium, Polybrominated biphenyls, Polybrominated diphenyl ether, Bis (2-ethylhexyl) phthalate, Butyl benzyl phthalate, Dibutyl phthalate and Diisobutyl phthalate in electrical and electronic equipments.

d) **Reduction of Carbon Emission:** We carry out research based on technology and trends on behalf of the customers that help in finding solutions for reduced carbon emission.

e) **Application development for measuring air quality:** We develop software applications for our customers that provide information about the location specific to air pollution and safety measures to protect the user's health.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

   (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

   (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

   We work with our customers in developing these products and we function as an enabler for designing products that fulfill social or environmental concerns. Hence, we are not able to directly measure the resource use.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

   (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

   The company emphasizes on sustainable procurement practices as much as possible. Suppliers are selected based on TCoC and are constantly evaluated against the same. All our suppliers conform to our norms on Code of Conduct, safety, ethics and other good practices.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

   (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

   The Company engages with multiple suppliers, local and international. Preference is always given to local suppliers. Proximity to the Company's location is one significant consideration for selection of suppliers. We also consolidate our imports from various ports to optimize on transport. Preference is given to MSME vendors. The Company also employs local service providers for housekeeping, security, gardening, maintenance and transport.

5. Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

   The Company has in place policies and guidelines to set a direction that addresses environmental protection. The company has systems and processes that take measures in up-keeping the environment and our specific actions include recharging ground water using rainwater, and effluent treatment and re-use of treated water for gardening. Our e-waste recycling process takes care of computers, monitors, computer accessories and other electronic office equipments and specialized agencies are hired to carry out the e-waste disposal. We encourage reduced use of printing papers and thus reduce the use of paper, wherever feasible. Our resource usage and processes enable optimal use of equipments and sharing or transferring of equipments based on their needs and utility.

Principle 3

1. Please indicate the Total number of employees. 5287
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis: 287 consultants
3. Please indicate the Number of permanent women employee: 1536

4. Please indicate the Number of permanent employees with disabilitie: 4

5. Do you have an employee association that is recognized by management? No

6. What percentage of your permanent employees is members of this recognized employee association? Not applicable

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

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

8. What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?

   (a) Permanent Employees - 73%

   (b) Permanent Women Employees – 83%

   (c) Casual/Temporary/Contractual Employees – 54%

   (d) Employees with Disabilities – Safety and skill upgradation training is an ongoing process in the company. This data is not separately maintained.

Principle 4

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

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

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

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

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

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

Principle 5

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

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

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

Our processes enable our stakeholders to voice their grievances and complaints. Dedicated emails are instituted and communicated to each of our stakeholders. Helpdesks are made available to our employees and SLAs put in place for timely closure. During this period, we have received 32 complaints from our investors all complaints stand resolved. There were no other complaints from any other stakeholders.

Principle 6

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

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

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

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

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

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

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

   This is not applicable.

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

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

   Active measures taken by us towards energy conservation and carbon footprint reduction include using technology to monitor and control the power consumption of air conditioning and other related equipment, use of energy efficient light bulbs, using technology for switching off computer monitors, motion sensors for lighting controls, etc.

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

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

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

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

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

   None

Principle 7

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

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

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

   No

Principle 8

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

   We have constituted a CSR committee for the purposes of recommending and monitoring the CSR initiatives of the Company. The Board on the recommendation of CSR Committee adopted a CSR Policy. The CSR objectives are designed to serve societal, local and national goals in the locations that we operate in, create a significant and sustained impact on local communities and provide opportunities for our employees to contribute to these efforts through volunteering.

   Our flagship programmes are Shiksha and Niramay. The primary goal of Shiksha is to provide education and skill development, especially for the disadvantaged (underprivileged) groups/communities. Through, Niramay, we help the needy by providing them financial support for their medical care.

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

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

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

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

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

   The Company has spent/committed an amount of ₹ 375 lakhs during this financial year. The programmes have been mainly directed towards education / skill development and healthcare.

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

   We work closely with institutions that mediate these initiatives to ensure that the benefits are passed on to the target community. Examples of such institutions are Kidwai Memorial Institute of Oncology, Sree Chitra Thirunal Hospital, Sri Jayadeva Hospital, Baptist Hospital, Cherysh, RASA (Ramana Sinritya Aalaya), Tata Strive and FAEA (Foundation for Academic Excellence and Access).

Principle 9

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

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

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

   Not Applicable

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

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

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

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

ANNEXURE "C" TO DIRECTORS' REPORT

Annual Report on Corporate Social Responsibility (CSR)

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

1. A brief outline of the Company's CSR Policy, including overview of the projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

   Our CSR activities will be designed to:

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

   CSR Policy has been adopted and the same is available on the Company's website at the following link: **http://www.tataelxsi.com/company/corporate-sustainability/CSR policy.**

2. The Composition of the CSR Committee:

   Mr. Sudhakar Rao, Chairman (Independent Director)

   Mrs. S. Gopinath, Member (Independent Director)

   Mr. Madhukar Dev, Member (MD & CEO)

3. Average net profit of the Company for last three financial years: ₹ **18,754.50 lakhs**

4. Prescribed CSR Expenditure (two percent of the amount as in Item No. 3 above): ₹ **375.09 lakhs**

5. Details of CSR spent during the financial year:

   (a) Total amount to be spent for the financial year: ₹ **375.09 lakhs**

   (b) Amount unspent, if any: ₹ **90.23 lakhs (Committed for sl.no.10: ₹ 90.00 lakhs)**

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	**CSR Project or Activity identified**	**Sector in which the project is covered**	**Projects or Programs** **1) Local area or other** **2) Specify the state and other districts where projects or programs was/ were undertaken**	**Amount outlay (budget) project or program wise**	**Amount spent on the projects or programs** **Sub heads:** **1) Direct expenditure on projects or programs** **2) Overheads**	**Cumulative Expenditure up to the reporting period**	**Amount spent Direct or through implementing agency**
1.	Providing Aid to Cancer, Heart & Neurology Patients who could not afford the Medical expenditure	Promoting Health Care	King Edward memorial Hospital Pune (Maharashtra)	₹ 20.00 lakhs	Direct– ₹ 20.00 lakhs	₹ 20.00 lakhs	Direct - A sum of ₹ 50,000/- per patient who does not have means to provide for the treatment. The impact is expected to aid at least 40 patients.
2.	Providing Aid to Cancer Patients those who could not afford the medical expenditure	Promoting Health Care	Kidwai Memorial Institute of Oncology Bengaluru (Karnataka)	₹ 30.00 lakhs	Direct – ₹ 30.00 lakhs	₹ 90.00 lakhs	Direct- A sum of ₹ 50,000/- per patient who does not have means to provide for the treatment. The impact is expected to aid at least 60 patients for the current year (aggregate 180 Patients)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	**CSR Project or Activity identified**	**Sector in which the project is covered**	**Projects or Programs** **1) Local area or other** **2) Specify the state and other districts where projects or programs was/ were undertaken**	**Amount outlay (budget) project or program wise**	**Amount spent on the projects or programs** **Sub heads:** **1) Direct expenditure on projects or programs** **2) Overheads**	**Cumulative Expenditure up to the reporting period**	**Amount spent Direct or through implementing agency**
3.	Providing Aid to Heart Patients those who could not afford the medical expenditure	Promoting Health Care	Sri Jayadeva Institute of Cardiovascular Sciences and Research, Bengaluru (Karnataka)	₹ 36.00 lakhs	Direct- ₹ 36.00 lakhs	₹ 96.00 lakhs	Direct- A sum of ₹ 50,000/- per patient who does not have means to provide for the treatment. The impact is expected to aid at least 72 patients for the current year (aggregate 192 patients).
4.	Providing Aid to Heart and Neurology Patients those who could not afford the medical expenditure	Promoting Health Care	Sree Chitra Tirunal Institute for Medical Science & Technology (SCTIMST) under DST, Trivandrum (Kerala)	₹ 60.00 lakhs	Direct- ₹ 60.00 lakhs	₹ 140.00 lakhs	Direct- A sum of ₹ 50,000/- per patient who does not have means to provide for the treatment. The impact is expected to aid at least 120 patients for the current year (aggregate 280 Patients)
5.	Providing Aid to Heart, Cancer and Neurology Patients those who could not afford the medical expenditure	Promoting Health Care	Baptist Hospital, Bengaluru, Karnataka	₹ 11.00 lakhs	Direct - ₹ 11.00 lakhs	₹ 11.00 lakhs	Direct- A sum of ₹ 50,000/- per patient who does not have means to provide for the treatment. The impact is expected to aid at least 22 patients. Bangalore Baptist Hospital was set up in 1973 with the primary purpose of meeting the healthcare needs of the poor and needy living in the North Bengaluru, Devanhalli and Dodballapur Taluks.
6.	Enhancing Learning Avenues for Girl Children and Livelihood opportunities for resource-poor women in rural India.	Promotion of Education	Cherysh Trust, Haliyal Taluka, Uttara Kannada	₹ 7.10 lakhs	Direct- ₹ 7.10 lakhs	₹ 7.10 lakhs	Direct: Funded CherYsh for procurement of a Multi Utility Vehicle (MUV) for ensuring safe rural transport for the learning facilitators and volunteers to distant villages, many of which share their borders with a forest.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	**CSR Project or Activity identified**	**Sector in which the project is covered**	**Projects or Programs** **1) Local area or other** **2) Specify the state and other districts where projects or programs was/ were undertaken**	**Amount outlay (budget) project or program wise**	**Amount spent on the projects or programs** **Sub heads:** **1) Direct expenditure on projects or programs** **2) Overheads**	**Cumulative Expenditure up to the reporting period**	**Amount spent Direct or through implementing agency**
7.	Training to develop life skills, holistic empowerment, confidence building, problem solving skills, social interaction skills and physical training to individuals with special needs as well as to normal individuals.	Promotion of Education	Ramana Sunritya Aalaya (RASA), Bengaluru, Karnataka	₹ 10.00 lakhs	Direct- ₹ 10.00 Lakhs	₹ 10.00 lakhs	Direct – Funded RASA to defray its Bangalore centre expenses for the calendar year 2018. RASA Bangalore center primarily deals with students with ADHD, (Autism, Downs' Syndrome and Dyslexia.)
8.	Promotion for road Safety	Education (promotion of road safety)	Bengaluru (Karnataka)	₹ 9.60 lakhs	Direct – ₹ 9.12 lakhs	₹ 27.10 lakhs	Direct – The Company assisted the Traffic Police by reimbursing the salary of Traffic Wardens deployed in different road crossings for control of vehicular traffic and safe movement of pedestrians, ensuring road safety.
9.	Education for Engineering and Medicine	Promoting Education	Pan India	₹ 21.00 lakhs	Direct- ₹ 21.00 lakhs	₹ 33.01 lakhs	Foundation for Academic Excellence and Access (FAEA) (Implementing Agency) - Contributed to support 30 (thirty) Girls Students from SC/ST communities for Under Graduate education.
10.	Education of Drivers on Safe Driving by way of an App driven software	Education (Promotion of road Safety)	Strive an initiative of Tata Community Initiatives - Pan India	₹ 150.00 lakhs	Direct – ₹ 60.00 lakhs	₹ 60.00 lakhs	Strive is a vocational training Initiative of Tata Community Initiatives Trust. The project involves a unique app driven education program for drivers on safe driving and safe road behavior. This will be a certification program for the drivers. The project is expected to go live from AUGUST, 2018.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	**CSR Project or Activity identified**	**Sector in which the project is covered**	**Projects or Programs** **1) Local area or other** **2) Specify the state and other districts where projects or programs was/ were undertaken**	**Amount outlay (budget) project or program wise**	**Amount spent on the projects or programs** **Sub heads:** **1) Direct expenditure on projects or programs** **2) Overheads**	**Cumulative Expenditure up to the reporting period**	**Amount spent Direct or through implementing agency**
11.	Miscellaneous	Health Education	Adult diapers and examination gloves to an Old Age Home, Traffic safety awareness campaign, Educational books and CD's to a home for needy girls, Educational aids to a vocational training center for Spastics.	₹ 2.02 lakhs	Direct- ₹ 1.89 lakhs	₹ 1.89 lakhs	Direct Assisted various NGOs in Trivandrum, Pune, Bengaluru and Chennai
	TOTAL			**₹ 356.72 lakhs**	**₹ 266.11 lakhs**		
	Allowable expenditure (overheads) towards personnel & administration expenses for CSR team			₹18.75 lakhs	Overheads- ₹ 18.75 lakhs		Apportioned compensation for CSR staff, travel expenses for CSR activities and the working hours utilized by TE personnel for supervision of the CSR activities.
	Total CSR budget and spent for FY 2017-18			**₹ 375.47 lakhs**	**₹ 284.86 lakhs**		
	To be spent in 2018-19 (Please refer notes below)				**₹ 90.23 lakhs**		
	Total				**₹ 375.09 lakhs**		

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

Madhukar Dev
Managing Director

Sudhakar Rao
Chairman, CSR Committee

Bengaluru, April 26, 2018

Notes:

1. Out of the total project cost of ₹ 150.00 lakhs under Sl No. 10, a sum of ₹ 60.00 lakhs has been disbursed in 2017-18. The balance amount of ₹ 90.00 Lakhs will be disbursed in FY 2018-19.
2. Balance unspent remaining amount of ₹ 0.23 Lakhs will be added to the CSR funds available for spending in 2018-19.

Form No. MGT -9

EXTRACT OF ANNUAL RETURN
as on the financial year ended 31st March 2018

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

I. REGISTRATION AND OTHER DETAILS:

i)	CIN:	L85110KA1989PLC009968
ii)	Registration Date:	30.3.1989
iii)	Name of the company:	Tata Elxsi Limited
iv)	Category/ Sub-Category of the Company:	Public Company having Share Capital
v)	Address of the Registered office and Contact Details:	ITPB Road, Whitefield, Bengaluru-560048 Tel: 080 2297 9123 email: investors@tataelxsi.com website:www.tataelxsi.com
vi)	Whether listed or unlisted Company (Yes/No):	Listed
vii)	Name, Address and Contact details of Registrar and Share transfer Agents:	TSR DARASHAW LIMITED 6-10, Haji Moosa Patrawala Industrial Estate, #20 Dr. E. Moses Road, Mahalaxmi, Mumbai-400011, Tel: 022 6656 8484 email: csg-unit@tsrdarashaw.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

Sl. No.	Name and Description of the main products / services	NIC Code of the Product / Sevice	% to total turnover of the Company
1	Design and Development of Computer Hardware and Software	620	92.99%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Tata Sons Limited Bombay House 24 Homi Mody Street Mumbai 400001	U99999MH1917PLC000478	Associate	42.22	2(6)

IV. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

i) Category-wise Share Holding

	Category of Shareholers	No. of Shares held at the beginning of the year i.e. 01.04.2017				No. of Shares held at the end of the year 31.03.2018				
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**Promoters**									
(a)	**Individuals / Hindu Undivided Family**	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
(b)	Central Government / State Governments(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	13897632	0	13897632	44.63	27755264	0	27755264	44.57	-0.06
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A) (1)		**13897632**	**0**	**13897632**	**44.63**	**27755264**	**0**	**27755264**	**44.57**	**-0.06**
(2)	**Foreign**									**0.00**
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A) (2)		**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Total Shareholding of Promoter and Promoter Group (A)		**13897632**	**0**	**13897632**	**44.63**	**27755264**	**0**	**27755264**	**44.57**	**-0.06**
(B)	**Public Shareholding**									
(1)	**Institutions**									
(a)	Mutual Funds / UTI	1387125	200	1387325	4.46	2895693	200	2895893	4.65	0.19
(b)	Financial Institutions / Banks	61423	200	61623	0.20	228017	400	228417	0.37	0.17
(c)	Cental Government / State Governments(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	388787	0	388787	1.25	772442	0	772442	1.24	-0.01
(f)	Foreign Institutional Investors	30535	0	30535	0.10	0	0	0	0.00	-0.10
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Foreign Financial Institutions	0	2300	2300	0.01	0	2300	2300	0.00	0.00
(j)	Foreign Portfolio Investors (Corporate)	2759910	0	2759910	8.86	5764502	0	5764502	9.26	0.39
(k)	Any Other Alternate Investment Funds	0	0	0	0.00	481965	0	481965	0.77	0.77
Sub-Total (B) (1)		**4627780**	**2700**	**4630480**	**14.87**	**10142619**	**2900**	**10145519**	**16.29**	**1.42**
(2)	**Non-Institutions**									
(a)	Bodies Corporate	1322118	3501	1325619	4.26	2556113	5102	2561215	4.11	-0.14
(b)	Individuals -									
i	Individual shareholders holding nominal share capital upto ₹ 1 lakh	8551776	1382276	9934052	31.90	15703482	2380595	18084077	29.04	-2.86
ii	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1315182	0	1315182	4.22	3686849	0	3686849	5.92	1.70
(c)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Any Other	0	0	0	0.00	0	0	0	0.00	0.00
i	Trusts	34155	0	34155	0.11	41316	0	41316	0.07	-0.04
ii	Directors & Relatives	1100	0	1100	0.00	2200	0	2200	0.00	0.00
Sub-total (B) (2)		**11224331**	**1385777**	**12610108**	**40.50**	**21989960**	**2385697**	**24375657**	**39.14**	**-1.36**
Total Public Shareholding (B) = (B)(1)+(B)(2)		**15852111**	**1388477**	**17240588**	**55.37**	**32132579**	**2388597**	**34521176**	**55.43**	**0.06**
TOTAL (A)+(B)		**29749743**	**1388477**	**31138220**	**100.00**	**59887843**	**2388597**	**62276440**	**100.00**	
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0.00	0	0	0	0.00	0.00
GRAND TOTAL (A)+(B)+(C)		**29749743**	**1388477**	**31138220**	**100.00**	**59887843**	**2388597**	**62276440**	**100.00**	

ii) Share Holding of Promoters (Including promoter group)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2017			Shareholding at the end of the year 31.03.2018			% change in shareholding during the year
		No.of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No.of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Tata Sons Limited	13147632	42.22	0.00	26295264	42.22	0.00	0.00
2	Tata Investment Corporation Limited	750000	2.41	0.00	1460000	2.34	0.00	-0.06
		13897632	**44.63**	**0.00**	**27755264**	**44.57**	**0.00**	**-0.06**

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

Sl. No.	Name of the Shareholder	Date	Reason	Shareholding		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	Tata Investment Corporation Limited	01-Apr-2017	**At the beginning of the year**	750000	2.41	750000	2.40
		02-Jun-2017	**Decrease**	-20000	-0.06	730000	2.34
		29-Sep-2017	**Increase**	730000	2.34	1460000	2.34
		31-Mar-2018	**At the end of the year**	1460000	2.34	1460000	2.34
2	Tata Sons Limited	01-Apr-2017	**At the beginning of the year**	13147632	42.22	26295264	42.22
		29-Sep-2017	**Increase**	13147632	42.22	26295264	42.22
		31-Mar-2018	**At the end of the year**	26295264	42.22	13147632	42.22

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

Sl. No.	Name	No. of shares as on 01.04.2017	No. of shares as on 31.03.2018	Net Changes	% to Capital
1	J P Morgan Funds	754,258	1,779,741	1,025,483	2.86
2	Life Insurance Corporation Of India	386,221	772,442	386,221	1.24
3	Motilal Oswal Midcap 100 Etf	586,793	683,516	96,723	1.10
4	Tata Young Citizens Fund	181,650	607,000	425,350	0.97

Sl. No.	Name	No. of shares as on 01.04.2017	No. of shares as on 31.03.2018	Net Changes	% to Capital
5	Global Emerging Markets Discovery Fund, Llc	173,170	372,170	199,000	0.60
6	Avendus Enhanced Return Fund	-	361,050	361,050	0.58
7	Chetan Jayantilal Shah	175,000	350,000	175,000	0.56
8	Lakshmi Capital Investments Limited	-	315,000	315,000	0.57
9	Kotak Equity Arbitrage Fund	84,400	299,200	214,800	0.48
10	Emerging Markets Core Equity Portfolio (The Portfolio) Of Dfa Investment Dimensions Group Inc. (Dfaidg)	129,187	268,658	139,471	0.43
11	Ups Group Trust	123,600	247,200	123,600	0.40
12	Asia Vision Fund	125,000	125,000	-	0.20
13	Morgan Stanley Mauritius Company Limited	544,704	596	(544,108)	0.00

v) Shareholding of Directors and Key Managerial Personnel :

Sl. No.	Name of the Shareholder	Date	Reason	Shareholding		Cumulative Shareholding	
				No.of Shares	% of total Shares of the company	No.of Shares	% of total Shares of the company
1	Madhukar Rajendra Dev	01-04-17	**At the beginning of the year**	1100	0.00	1100	0.00
		29-09-17	**Increase**	1100	0.00	2200	0.00
		31-03-18	**At the end of the year**	**2200**	**0.00**	**2200**	**0.00**
2	G Vaidyanathan	01-04-17	At the beginning of the year	2	0.00	2	0.00
		11-08-17	Increase	50	0.00	52	0.00
		29-09-17	Increase	52	0.00	104	0.00
		31-03-18	**At the end of the year**	**104**	**0.00**	**104**	**0.00**
3	Mr. Muralidharan H.V	01-04-17	**At the beginning of the year**	0	0.00	0	0.00
		11-08-17	**Increase**	50	0.00	50	0.00
		29-09-17	**Increase**	50	0.00	100	0.00
		31-03-18	**At the end of the year**	**100**	**0.00**	**100**	**0.00**

V. INDEBTEDNESS

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

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

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Mr. Madhukar Dev (MD & CEO)	
		Amount (₹ in Lakhs)	Amount (₹ in Lakhs)
1	Gross Salary	272.31	272.31
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961		
	b) Value of perquisites u/s 17(2) Income Tax Act, 1961		
	c)Profits in Lieu of Salary u/s 17(3) of the Income tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission	325.00	325.00
	as % of profit		
	others, specify		
5	Others, specify (Contributions to PF and super annuation)	28.36	28.36
	Total (A)	**625.67**	**625.67**
	Ceiling as per Act (5% of the profit calculated u/s 198 of the Companies Act, 2013)		1867.92

B. Remuneration to other Directors :

₹ In Lakhs

Sl. No.	Particulars of Remuneration	Mr. P. Mc Goldrick	Mrs. Shyamala Gopinath	Prof. M.S. Ananth	Mr.Sudhakar Rao	Mr. N.G. Subramaniam	Dr. G. Katragadda	Total Amount
1	**Independent Directors**							
	Fee for attending Board / Committee Meetings	1.80	1.95	1.20	1.95	NA	NA	6.90
	Commission	74.26	98.02	50.50	77.22			300.00
	Others, Please Specify							
	Sub Total (1)							**306.90**
2	**Other Non - Executive Directors**							
	Fee for attending Board / Committee Meetings	NA	NA	NA	NA	0.90	1.20	2.10
	Commission					-	-	-
	Others, Please Specify							-
	Sub Total (2)							**2.10**
	Total (1) + (2)							**309.00**
	Total Managerial Remuneration (Commission)							**300.00**
	Overall Ceiling as per the Act (1% of the profit calculated u/s 198 of the Companies Act, 2013							373.58

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

SL. No.	Particulars of Remuneration	Mr. G. Vaidyanathan (Company Secretary)	Mr. Muralidharan H.V (Chief Financial Officer w.e.f. July 27, 2017)*	Mr. Ramseshan (Chief Financial Officer until May 31, 2017)	Total
		Amount (₹ In Lakhs)	Amount (₹ In Lakhs)	Amount (₹ In Lakhs)	Amount (₹ In Lakhs)
1	Gross Salary				
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	71.35	30.50	72.44	174.29
	b) Value of perquisites u/s 17(2) Income Tax Act, 1961				
	c) Profits in Lieu of Salary u/s 17(3) of the Income tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	as % of profit				
	others, specify				
5	Others, specify (contributions to PF and Superannuation)	2.92	3.46	0.89	7.27
	Total	**74.27**	**33.96**	**73.33**	**181.56**

* Remuneration for the period of August 1, 2017 to March 31, 2018

^ Remuneration for the period of April 1, 2017 to May 31, 2017

PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

There were no Penalities, Punishments or Compounding of Offences during the year ended March 31, 2018.

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2018

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

TO THE MEMBERS OF TATA ELXSI LIMITED

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

Based on my verification of the Tata Elxsi Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit and as per the explanations given to me and the representations made by the Management, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 generally complied with the statutory provisions listed hereunder and also that the company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minutes' books, forms and returns filed and other records made available to me and maintained by Tata Elxsi Limited for the financial year ended on 31st March, 2018 according to the applicable provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulations) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act,1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act,1992 ("SEBI Act"):-

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insiders Trading) Regulations, 1992;

  (c) The Securities and Exchange Board of India (Prohibition of Insiders Trading) Regulations, 2015

  (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

  (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and

(vi) Other Laws as informed and certified by the management of the company which are specifically applicable to the company based on their sector/industry are:

  (a) The Information Technology Act, 2000 and the Rules made thereunder.

  (b) Policy relating to the Software Technology Park of India and its regulations

  (c) The Indian Copyright Act, 1957

  (d) The Patents Act, 1970

  (e) The Trade Marks Act, 1999

  (f) The Special Economic Zone Act, 2005 & the rules made thereunder.

(vii) Other Laws:

  (a) The Shops and Establishment Act, 1953

  (b) The Water (Prevention and Control of Pollution) Act, 1974 & Rules thereunder

  (c) The Sexual harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

(d) The Payment of Bonus Act, 1965

(e) The Payment of Gratuity Act, 1972

(f) The Employees Provident Funds and Miscellaneous Provisions Act, 1952

(g) The Contract Labour (Regulations & Abolition) Act, 1970

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

i. Secretarial Standards of The Institute of Company Secretary of India with respect to Board and General meeting.

ii. SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 with regard to the Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

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

I further report that:

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

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

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

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

Jayashree Parthasarathy

Practicing Company Secretary

FCS No. 4610; CP NO. 1988

Place: Bengaluru

Date: April 26, 2018

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

ANNEXURE: A

TO THE MEMBERS OF TATA ELXSI LIMITED

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

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

Jayashree Parthasarathy

Practicing Company Secretary

FCS No4610; CP NO. 1988

Place: Bengaluru

Date: April 26, 2018

COMPLIANCE REPORT ON CORPORATE GOVERNANCE

Mandatory Requirements:

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

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

2. Board of Directors

The Board comprises members having varied skills, experience and knowledge. The Board has a mix of both Independent and Non-independent directors where Independent directors constitute more than half the strength of the Board with four Independent Directors and three Non-Independent Directors. The Chairman of the Company is Non-Executive, Non-Independent. None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees (as specified under Regulation 26 (1) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, across all the companies in which they are Directors. Necessary disclosures regarding Committee positions have been made by the Directors.

Performance evaluation of Board and Directors: The Company has laid down a process for evaluation of the Board and Committees of Board as also evaluation of the performance of each of the directors. The evaluation is conducted and monitored by the Chairman, Nomination & Remuneration Committee (NRC) in consultation with the members of the committee. Each of the Directors are given a self-assessment Questionnaire, covering degree of fulfillment of their responsibilities, Board structure and composition, Responsibilities of Committee, effectiveness of the Board process, information and functioning, Board culture and dynamics, quality of relationship between the Board and Management etc. The Chairman, NRC on the basis of the feedback received from each of the Directors has one to one meeting with them. and briefs the Chairman of the Board on the outcome, which was in turn discussed in the Board meeting. The performance of the Independent Directors was also reviewed at the Board meeting.

Meeting of Independent Directors: A separate meeting of Independent Directors for the Financial Year 2017-18 as per Clause VII (1) of Schedule IV under Section 149 (8) of the Companies Act, 2013 was held on 26th April, 2017 wherein the Independent Directors reviewed the performance of the Managing Director, Non-Independent directors and other matters. The Independent Directors have confirmed that they satisfy the criteria of Independence as stipulated under Section 149 (6) of the Companies Act, 2013.

Familiarisation: The Independent Directors immediately on appointment are issued a formal letter of Appointment covering their Rights, Roles; Committee Positions etc. The Independent Director/s on appointment are also provided a welcome docket containing the Business overview of the company, policies etc. The directors before their appointment are briefed about the Company by the Chairman and Managing Director individually. At each of the Business plan meeting, normally held in the fourth quarter every year, the Directors are briefed on the different business units of the company, the industry as a whole and other details like customers, market etc. During the year, the Annual Business Plan meeting was held on 19th February, 2018. 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 etc. The future strategy of the Company was also discussed.

The Board has adopted a Governance guideline, enumerating the rights and roles of the Directors. A copy of the same has been circulated to all the directors. The in-house magazine of the Company is also sent to the Directors periodically keeping them abreast with the recent happenings and developments. The familiarization program for the Independent Directors is available at http://www.tataelxsi.com/company/board-of-directors.html

Six Board Meetings were held during the year 2017-18 and the gap between two meetings did not exceed four months. The dates on which the Board Meetings held were April 27, 2017; July 27, 2017; August 24, 2017; October 25, 2017; January 19, 2018 and February 19, 2018.

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 2017-18	Whether attended AGM held on 27th July, 2017	No. of Chairmanships/Directorships in other Boards/Committees* of Companies**			
				Chairman/ Chairperson of the Board	Chairman/ Chairperson of the Committee	Member of the Board	Member of the Committee
Mr. N.G. Subramaniam [DIN 07006215]	Non Independent/ Non-Executive	5	Yes	-	-	1	-
Mr. P. McGoldrick [DIN 00407203]	Independent / Non-Executive	6	Yes	-	-	-	-
Mrs. Shyamala Gopinath [DIN 02362921]	Independent / Non-Executive	6	Yes	1	-	4	3
Dr. Gopichand Katragadda [DIN 02475721]	Non Independent/ Non-Executive	5	Yes	-	-	3	2
Prof. M.S. Ananth [DIN 00482391]	Independent / Non-Executive	5	Yes	-	-	2	2
Mr. Sudhakar Rao [DIN 00267211	Independent/ Non-Executive	6	Yes	1	-	4	3
Mr. Madhukar Dev [DIN 00082103]	Non Independent/ Managing Director	6	Yes	-	-	-	-

* Only Audit and Stakeholders' Relationship Committees are considered.

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

The information as required under Schedule II of Part A to Clause 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is being made available to the Board.

None of the Non-Executive Directors hold any shares and/or convertible instruments in the company as at 31st March, 2018.

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

3. Audit Committee

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

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;

COMPLIANCE REPORT ON CORPORATE GOVERNANCE (Contd.)

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
    b. Changes, if any, in accounting policies and practices and reasons for the same.
    c. Major accounting entries involving estimates based on the exercise of judgment by management.
    d. Significant adjustments made in the financial statements arising out of audit findings.
    e. Compliance with listing and other legal requirements relating to financial statements.
    f. Disclosure of any related party transactions.
    g. Qualifications in the draft audit report, if any.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance

COMPLIANCE REPORT ON CORPORATE GOVERNANCE (Contd.)

function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Review of information by Audit Committee

The Audit Committee reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee) submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.
6. Statement of deviations:
   (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1)of SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015.
   (b) annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7) of SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015.

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

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

Four Audit Committee Meetings were held during the year 2017-18. The dates on which the Audit Committee Meetings held were April 27, 2017; July 27, 2017; October 25, 2017 and January 19, 2018.

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

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

Sl. No.	Name of Members	Category	No. of Meetings attended during the year 2017-18
1	Mrs. Shyamala Gopinath, Chairperson	Independent / Non-Executive	4
2	Prof. M.S. Ananth	Independent / Non-Executive	3
3	Mr. Patrick McGoldrick	Independent / Non-Executive	4

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

4. Nomination and Remuneration Committee

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

COMPLIANCE REPORT ON CORPORATE GOVERNANCE (Contd.)

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

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

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

Other than sitting fees and commission on the net profits of the Company, no other remuneration is payable to the Non-Executive Directors for 2017-18.

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.

One Nomination and Remuneration Committee Meeting was held on April 27, 2017 during the year 2017-18.

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

Sl. No.	Name of Members	Category	No. of Meetings attended during the year 2017-18
1	Mrs. Shyamala Gopinath, Chairperson	Independent / Non-Executive	1
2	Mr. N.G. Subramaniam	Not Independent / Non-Executive	1
3	Mr. Patrick McGoldrick	Independent / Non-Executive	1

Details of remuneration for the year ended March 31, 2018

Non-executive Directors (NEDs):

Sl. No.	Name of the Non-Executive Director	Sitting Fees (₹)	Commission* (₹)
1	Mr. N.G. Subramaniam	90,000	-
2	Mr. P. McGoldrick	180,000	74,26,000
3	Mrs. Shyamala Gopinath	195,000	98,02,000
4	Dr. Gopichand Katragadda	120,000	-
5	Prof. M.S. Ananth	120,000	50,50,000
6	Mr. Sudhakar Rao	195,000	77,22,000

Managing Director:

Name	Salary (₹)	Commission* (₹)	Contribution to Provident & other Funds (₹)	Other Allowances & Perquisites (₹)	Total (₹)
Mr.Madhukar Dev	1,10,60,148	3,25,00,000	28,36,237	1,61,70,181	6,25,66,566

***** Subject to approval of the Annual Accounts at the 29th Annual General Meeting

COMPLIANCE REPORT ON CORPORATE GOVERNANCE (Contd.)

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

5. Stakeholders' Relationship Committee

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

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

Three Stakeholders' Relationship Committee Meetings were held during the year 2017-18. The dates on which the Stakeholders' Relationship Committee Meetings held were 27th April, 2017;13th November, 2017 and 19th January, 2018.

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

Sl. No.	Name of Members	Category	No. of Meetings attended during the year 2017-18
1	Mr.Sudhakar Rao Chairman	Independent/ Non-Executive	3
2	Dr. Gopichand Katragadda	Independent / Non-Executive	3

Name, designation & address of the Compliance Officer:

Mr. G. Vaidyanathan
Company Secretary
Tata Elxsi Ltd.,
ITPB Road, Whitefield
Bengaluru – 560 048.
Phone : +91-80-22979316
Fax : +91-80-28411474
E-mail : gvnathan@tataelxsi.co.in

Details of complaints received and redressed during 2017-18:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
1	32	33	0

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

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

a. Ms.Cauveri Sriram
e-mail: investors@tataelxsi.com
Phone: +91-080-2297-9166
Fax: +91-080-2841-1474.

b. TSR Darashaw Ltd.
e-mail: csg-unit@tsrdarashaw.com
Phone: +91-022-6656848
Fax: +91-022-66568494

COMPLIANCE REPORT ON CORPORATE GOVERNANCE (Contd.)

6. Risk Management Committee

The Board has constituted a Risk Management Committee (RMC) in line with the provisions of Regulation 21of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which is responsible to provide oversight in achieving the Company's Enterprise Risk Management (ERM) objectives. The ERM helps these objectives by creating a comprehensive approach to anticipate, identify, prioritize and manage material risks attached to the Company's operations.

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

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

One Risk Management Committee (RMC) meeting was held during the year 2017-18 on October 25, 2017.

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

Sl. No.	Name of Members	Category	No. of Meetings attended during the year 2017-18
1	Mr. Patrick McGoldrick, Chairman	Independent / Non-Executive	1
2	Mr.Sudhakar Rao	Independent / Non-Executive	1
3	Mr. Muralidharan H.V*	Company Executive (CFO)	1

* Mr. K. Ramaseshan ceased to be the member of the Risk Management Committee w.e.f June 1, 2018 due to his resignation from the Company.

Mr. Muralidharan H.V was appointed as a member of the Committee w.e.f July 27, 2018.

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

7. Corporate Social Responsibility (CSR) Committee

The Board has constituted a Corporate Social Responsibility (CSR) Committee in line with the provisions of Section 135 of the Companies Act, 2013 with maximum members being Independent Directors to recommend to the Board the CSR initiatives of the Company and also to monitor the implementation of the CSR initiatives.

Two Corporate Social Responsibility (CSR) Committee Meetings were held during the year 2017-18. The dates on which the Corporate Social Responsibility (CSR) Meetings held were April 26, 2017 and November 14, 2017.

COMPLIANCE REPORT ON CORPORATE GOVERNANCE (Contd.)

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

Sl. No.	Name of Members	Category	No. of Meetings attended during the year 2017-18
1	Mr.Sudhakar Rao, Chairman*	Independent / Non-Ex ecutive	2
2	Mrs. S. Gopinath@	Independent / Non-Executive	2
3	Mr. Madhukar Dev	Managing Director	2

@ Mrs. Shymala Gopinath relinquished the position as the Chairperson of the CSR Committee w.e.f April 27, 2017.

* Mr. Sudhakar Rao was appointed as the Chairperson of the CSR Committee w.e.f April 27, 2017.

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.

The Board constituted a Share Allotment Committee during the year for the purpose of allotment of Bonus Equity shares. One meeting was held on September 20, 2017. The said Committee ceased to exist after the completion of allotment of Bonus Equity shares.

8. General Body Meetings

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

Sl. No.	AGM Particulars	Date	Venue	Time
1	28th AGM in respect of the year 2016-17	July 27, 2017	St.John's Auditorium, John Nagar, Kormangala, Bengaluru- 560 034	12.30 p.m.
2	27th AGM in respect of the year 2015-16	July 26, 2016	St.John's Auditorium, John Nagar, Kormangala, Bengaluru- 560 034	12.30 p.m.
3	26th AGM in respect of the year 2014-15	July 24, 2015	Devraj Urs Bhavan, (behind Dr.Ambedakar Bhavan), 16D, Millers Tank Bed Area, Vasanthnagar, Bengaluru-560052	12.30 p.m.

(i) A Special resolution for approval for payment of Commission to Non-Executive Directors, pursuant to provisions of section 197 of the Companies Act, 2013 was passed at the 27th AGM held on July 26, 2016.

(ii) Details of special resolution passed through postal ballot, the persons who conducted the postal ballot exercise and details of the voting pattern :

During the year, the Company sought the approval of the shareholders by way of a Special Resolution through notice of postal ballot dated July 27, 2017 for Amendment of the Article 4 of Articles of Association with respect to Authorised capital, the results of which were announced on September 8, 2017. Mr. Mitesh Dhabliwala, of M/s Parikh & Associates, Practicing Company Secretaries was appointed as the Scrutinizer to scrutinize the postal ballot and remote e-voting process in a fair and transparent manner.

COMPLIANCE REPORT ON CORPORATE GOVERNANCE (Contd.)

(iii) Details of Voting Pattern were as under:

Description of the Resolution	Votes in favour of the resolution			Votes against the resolution			Invalid Votes	
	Number of members voted through Electrnic voting system and through physical ballot form	Number of valid Votes cast (Shares)	% of total number of valid votes cast	Number of members voted through Electrnic voting system and through physical ballot form	Number of valid Votes cast (Shares)	% of total number of valid votes cast	Number of members voted through Electrnic voting system and through physical ballot form	Number of valid Votes cast (Shares)
Special Resolution for Amendment of Article 4 of Articles of Association (Authorised capital)	1,359	1,73,40,432	99.99	15	937	0.01	130	21,352

(iv) Procedure for Postal Ballot

The Company conducted the postal ballot in accordance with the provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management & Administration) Rules, 2014 ("Rules"). The Company dispatched the Postal Ballot Notice dated July 27, 2017 along with the Explanatory Statement, postal ballot form and self-addressed business reply envelopes on August 07, 2017 to the shareholders who had not registered their e-mail IDs with the Company/Depositories and also sent by e-mail the said documents to shareholders whose e-mail IDs were registered with the Company/Depositories. The Company also published a Notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the provisions of the Act and Rules framed thereunder.

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 offered the facility of e-voting to its members to enable them to cast their vote electronically. The voting under the postal ballot was kept open from August 09, 2017 (9.00 a.m. IST) to September 07, 2017 (5.00 p.m. IST).

Upon completion of scrutiny of the postal ballot forms and votes cast through e-voting in a fair and transparent manner, the scrutinizer i.e. Mr. Mitesh Dhabliwala submitted his report to the Company and the results of the postal ballot were announced by the Company on September 8, 2017. The voting results were sent 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

(v) Details of special resolution proposed to be conducted through postal ballot:

No special resolution is proposed to be conducted through postal ballot at the AGM to be held on July 25, 2018.

9. Disclosures

- There are no materially significant Related Party Transactions during the year that have potential conflict with the interests of the Company at large;

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

COMPLIANCE REPORT ON CORPORATE GOVERNANCE (Contd.)

- The guidelines/accounting standards laid down by the Institute of Chartered Accountantsof 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.
- There has been no non-compliance or penalties, or strictures imposed on your Company by any of the Stock Exchanges or SEBI, or any statutory authority on any matter related to capital markets during the last three years;
- The Company has adopted a Whistle Bowler Policy and has established the necessary mechanism in line with the requirements under the Companies Act, 2013, Listing Agreement and SEBI (Listing Obligationsand Disclosure Requirements) Regulations, 2015.

  a) For employees to report concerns about unethical behaviour;

  b) To establish a mechanism to report to the management concerns about unethical behaviour , actual or suspected fraud or violation of the integrity policy;

  c) To ensure that adequate safeguards shall be provided to the Whistle blower against any victimization or vindictive practices like retaliation, threat or any adverse (direct or indirect) action on their employment.

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

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

- Your Company has comprehensive guidelines on prohibiting Insider trading and the Company has adopted the code of internal procedures and conduct for listed Companies as mandated by SEBI.
- The Company has formulated a policy on determination of materiality of event /information as required under Regulation 30 (1) of Listing Regulations, 2015. The same is available on company's website at: **http://www.tataelxsi.com/investors/TEL_Policyonmaterialityofanevent.pdf.**
- The Company has complied with all the mandatory requirements and most of the non- mandatory requirements specified in Part E of Schedule II under Regulation 27 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

10. Means of Communication

- Your Company uses several modes for communicating with its external stakeholders, such as announcements and press releases in newspapers, circular letters and other reports to the members, posting information on its website (www.tataelxsi.com), intimation to the Stock Exchanges, responding to analyst's queries etc.
- Your Company's quarterly results are disseminated through all the modes mentioned above. Financial Express (English daily) and Sanjevani (vernacular daily) are usually the papers in which the quarterly results are published.
- Your Company's Management Discussion & Analysis of the Business for the year ended 31st March, 2018 forms part of the Directors' Report and is given under the Section so captioned.
- The transcripts and audio of the Company's investors/analysts concalls are available at: **http://www.tataelxsi.com/investors/investor-relations.html.**

COMPLIANCE REPORT ON CORPORATE GOVERNANCE (Contd.)

11. General Shareholders Information

Sl. No.	Salient Items of Interest	Particulars
i.	AGM Date, Time, and Venue	July 25, 2018, Wednesday at 12:30 pm at St. John's Auditorium, John Nagar, Koramangala, Bengaluru - 560 034, Karnataka
ii.	Financial Calendar	April 26, 2018 – Q4 & FY17-18 Results
		July 25, 2018– Q1 Results & AGM
		October 8, 2018 – Q2 Results
		January 8, 2019 – Q3 Results
iii.	Date of Book Closure	July 18, 2018 to July 25, 2018 (both days inclusive)
iv.	Dividend Payment Date	On and after July 25, 2018
v.	Listing on Stock Exchanges	**Bombay Stock Exchange Limited** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001, India Tel. : +91-22-22721234 Fax : +91-22-22722041 **The National Stock Exchange of India Limited** Exchange Plaza Plot No.C/1, G Block Bandra-Kurla Complex Bandra (East) Mumbai – 400 051, India Tel. : +91-22-26598100 Fax : +91-22-26598237 The listing fee has been paid to BSE & NSE for the FY 2017-18.
vi.	Stock Code	Bombay Stock Exchange Ltd.: 500408 National Stock Exchange Ltd.: TATAELXSI
vii.	Registrar & Share transfer Agent	TSR Darashaw Limited, 6-10, Haji Moosa Patrawala Ind. Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai – 400 011
viii.	Share Transfer System	Shares lodged in physical form with the Company/its Registrars & Share Transfer Agents are processed and returned, duly transferred within 15 days normally, except in cases where litigation is involved. In respect of shares held in dematerialised mode, the transfer takes place instantaneously between the transferor, transferee, and the Depository Participant through electronic debit/credit of the accounts involved.
ix.	Dematerialisation of shares and liquidity	5,98,87,843 shares were held in dematerialised mode, as at March 31, 2018. The Company's equity shares are actively traded on BSE and NSE.
x.	Outstanding GDRs /ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity	There are no outstanding instruments and hence there will be no dilution of the equity.

COMPLIANCE REPORT ON CORPORATE GOVERNANCE (Contd.)

Sl. No.	Salient Items of Interest	Particulars
xi.	Development Centre Locations	Your Company's software development centers are located at the following addresses: a. ITPB Road, Whitefield, Bengaluru – 560 048; b. Crescent-4, 9th Floor, Prestige Shantiniketan, Whitefield road, Bengaluru - 560 048 c. IITM Research Park, 4th Floor, Kanagam Road, Taramani, Chennai – 600 113; d. IG3 Infra Ltd SEZ, Pallavaram - Thoraipakkam 200 Feet Road, Thoraipakkam, Chennai 60009 e. Giga Space IT Park, No. 201, 2nd Floor, Alpha – 1 Building, Viman Nagar, Pune – 411 014; f. SEZ Tower IX, A Wing, Level – 2, Magarpatta City, Hadapsar, Pune – 411 013; g. Gayathri, 1st Floor, Technopark Campus, Kariyavattom, Thiruvananthapuram– 695 581; h. Neyyar, Technopark Campus, Kariyavattom, Thiruvananthapuram– 695 581; i. LeelaInfopark, 5th Floor, Plot No. 2, Technopark Campus, Thiruvananthapuram– 695 581; j. No.204-N & Module No.204-S 4th Floor Yamuna SEZ IT Building Phase III Campus, Technopark Thiruvananthapuram - 695581 k. Boston House, 2nd Floor, No. 201, Suren Road, Gondivali, Village, Off Andheri- Kurla Road, Andheri East, Mumbai – 400 093
xii.	Address for correspondence	ITPB Road, Whitefield, Bengaluru – 560 048
xiii.	CIN	L85110KAI989PLC009968

Market Price Data: High/Low during each month of 2017-18 on the following exchanges:

Month	BSE			NSE		
	High	Low	Vol (No. of shares)	High	Low	Vol (No. of shares)
Apr-17	1,606.20	1,471.75	9,33,316	1,605.00	1,470.05	67,80,053
May-17	1,592.00	1,287.50	8,74,189	1,594.00	1,282.35	55,40,192
Jun-17	1,662.45	1,325.00	27,43,917	1,663.80	1,330.00	1,66,87,737
Jul-17	1,775.00	1,589.05	19,44,109	1,777.35	1,585.30	1,18,05,372
Aug-17	1,764.00	1,582.95	7,25,419	1,759.75	1,582.65	48,82,276
Sep-17	1,840.70	795.05	14,14,988	1,839.95	792.30	92,87,150
Oct-17	888.00	795.00	11,00,539	888.00	795.05	89,73,558
Nov-17	976.00	841.75	22,93,572	975.75	839.70	1,67,17,491
Dec-17	983.90	885.00	9,43,888	984.85	882.40	96,82,473
Jan-18	1,123.05	951.35	15,44,128	1,123.25	950.15	1,58,35,383
Feb-18	1,075.45	927.00	10,89,810	1,076.45	923.25	94,68,689
Mar-18	1,070.00	955.45	6,31,148	1,067.30	955.85	78,56,889

Note: The Company's equity shares are traded on BSE and NSE at ex - bonus rate on and from September 18, 2017.

COMPLIANCE REPORT ON CORPORATE GOVERNANCE (Contd.)

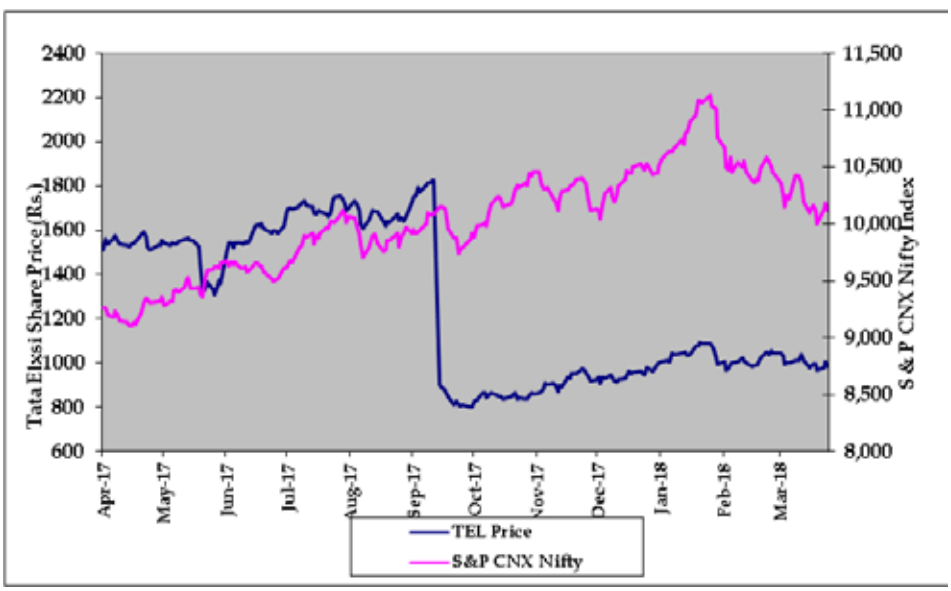
Distribution of Shareholding as on March 31, 2018

Range of Shares	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1 – 500	86,964	92.83	99,46,672	15.98
501 – 1000	4,009	4.28	30,12,244	4.84
1001- 2000	1,430	1.53	22,24,038	3.57
2001– 3000	396	0.42	10,12,770	1.63
3001– 4000	228	0.24	843,328	1.35
4001– 5000	133	0.14	617,322	0.99
5001– 10000	258	0.28	18,77,228	3.01
Over 10,000	265	0.28	427,42,838	68.63
Total	**93,683**	**100**	**6,22,76,440**	**100**

Categories of Shareholding as on March 31, 2018

Category	No. of Shareholders	No. of Shares held	% of Shareholding
Individuals	92,110	2,17,70,926	34.96
Trusts	14	41,316	0.07
Companies	1,407	40,44,039	6.49
Tata Group	4	2,77,55,264	44.57
Mutual Funds, FI's, FII's	147	86,62,695	13.91
Directors & Relatives	1	2,200	0.00
Total	**93,683**	**6,22,76,440**	**100.00**

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



INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Tata Elxsi Limited

This Certificate is issued in accordance with the terms of our engagement letter dated August 12, 2017.

Tata Elxsi Limited ('the Company') requires Independent Auditor's Certificate on Corporate Governance as stipulated in Regulations 17-27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period April 1, 2017 to March 31, 2018.

Managements' Responsibility

The preparation of the Corporate Governance report is the responsibility of the Management of the Company along with the maintenance of all its relevant supporting records and documents. The Management is responsible for ensuring that the Company complies with the requirements as stipulated in Regulations 17-27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations for the period April 1, 2017 to March 31, 2018. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the report and applying an appropriate basis of preparation.

Auditor's Responsibility

Pursuant to the requirements of the Listing Regulations, our responsibility is to state whether the Company has complied with the above said compliances of the conditions of Corporate Governance for the period April 1, 2017 to March 31, 2018.

We have examined the compliance of conditions of Corporate Governance by the Company for the period April 1, 2017 to March 31, 2018 as per Regulations 17-27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

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

Opinion

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

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

Restriction on use

This Certificate is issued solely for the purpose of complying with Regulations 17-27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations for the period April 1, 2017 to March 31, 2018 and may not be suitable for any other purpose.

for **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership number: 060573

Place: Bengaluru
Date: April 26, 2018

INDEPENDENT AUDITOR'S REPORT

To The Members of Tata Elxsi Limited

Report on the Audit of the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Tata Elxsi Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS financial statements").

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs, profit/loss (including 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) prescribed 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 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2018, its profit (including other comprehensive income), its changes in equity and its cash flows for the year ended on that date.

Other Matter

The comparative financial information of the company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 prepared in accordance with Ind AS included in these Ind AS financial statements have been audited by the predecessor auditor who had audited the financial statements for the relevant periods. The report of the predecessor auditor on the comparative financial information and the opening balance sheet dated July 27, 2017 expressed an unmodified opinion.

Our opinion on the Ind AS financial statements is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss, 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 Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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".

   (g) 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:

      i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note 32 to the Ind AS financial statements;

      ii. The Company did not have any foreseeable losses on long term contracts including derivative contracts;

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

      iv. The disclosures regarding details of specified bank notes held and transacted during November 8, 2016 to December 30, 2016 has not been made since the requirement does not pertain to financial year ended March 31, 2018.

for **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership number: 060573

Place: Bengaluru
Date: April 26, 2018

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

With reference to the Annexure A referred to in the Independent Auditor's Report to the members of the Company on the Ind AS financial statements for the year ended March 31, 2018, we report the following:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets, by which all fixed assets are verified in a phased manner over a period of two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in fixed assets are held in the name of the Company.

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

(ii) According to the information and explanations given to us, the inventories were physically verified by the management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company does not have any transactions to which the provisions of Section 185 and 186 apply. Accordingly, the provisions of clause 3(iv) of the order is not applicable to the company.

(v) The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder.

(vi) According to the information and explanations given to us the Central Government has not prescribed the maintenance of cost records under Section 148 of the Act for any of the services rendered by the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Goods and Servicestax,duty of Customs, Value added tax, Cess and other materialstatutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.As explained to us, the Company did not have any dues on account of duty excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Goods and Services tax, duty of Customs, Value added tax, Cess and other material statutory dues were in arrears as at March 31, 2018, for a period of more than six months from the date they became payable.

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

Name of Statute	Nature of Dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
The Finance Act, 1994	Service tax	782.26*	Financial Years 2006-07, 2007-08 and 2008-09	Customs Excise and Service Tax Appellate Tribunal

* Net of ₹ 60.00 lakhs paid under protest

(viii) In our opinion and according to the information and explanations given to us, the Company did not have any outstanding loans or borrowings from financial institutions, bank, government or debenture-holders Accordingly, the paragraph 3(viii) of the order is not applicable to the company.

(ix) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

(x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) In our opinion and according to the information and explanations given to us and based on examination of the records of the Company, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) According to the information and explanations given to us, in our opinion, the Company is not a Nidhi Company as prescribed under Section 406 of the Act.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) According to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

for **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership number: 060573

Place: Bengaluru
Date: April 26, 2018

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Tata Elxsi Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 ("ICAI"). 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 the 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 over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by ICAI. 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 over financial reporting was 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 control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 Ind AS 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 control over financial reporting includes 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

for **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership number: 060573

Place: Bengaluru
Date: April 26, 2018

Balance Sheet

₹ lakhs

	Note	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
Non-current assets				
(a) Property, plant and equipment	3 (i)	**8,167.81**	9,227.96	8,768.51
(b) Capital work-in-progress		**212.64**	103.36	187.83
(c) Intangible assets	3 (ii)	**1,259.77**	1,552.52	1,928.02
(d) Financial assets				
(i) Investments *	4	**-**	-	-
(ii) Other financial assets	6 (i)	**1,422.49**	1,072.34	1,046.02
(e) Deferred tax assets (net)	7	**412.00**	323.00	126.64
(f) Other assets	8 (i)	**237.97**	119.97	225.78
(g) Tax assets (net)	9	**2,270.01**	2,488.74	2,274.35
Total non-current assets		**13,982.69**	14,887.89	14,557.15
Current assets				
(a) Financial assets				
(i) Trade receivables	10	**30,666.64**	24,481.08	21,521.09
(ii) Cash and cash equivalents	11	**8,321.01**	19,092.64	7,133.98
(iii) Other bank balances	12	**31,113.45**	6,059.85	11,111.47
(iv) Loans	5	**83.70**	77.62	99.05
(v) Other financial assets	6 (ii)	**7,488.55**	4,916.38	3,352.29
(b) Other assets	8 (ii)	**3,201.89**	2,024.32	2,242.05
Total current assets		**80,875.24**	56,651.89	45,459.93
TOTAL ASSETS		**94,857.93**	71,539.78	60,017.08
EQUITY AND LIABILITIES				
Equity				
(a) Share capital	13	**6,227.64**	3,113.82	3,113.82
(b) Other equity	14	**67,607.49**	52,653.10	40,660.78
Total equity		**73,835.13**	55,766.92	43,774.60
Liabilities				
Non-current liabilities				
(a) Provisions	15 (i)	**973.26**	1,588.09	1,131.15
(b) Tax liabilities (net)	18 (i)	**911.91**	1,009.05	1,126.48
Total non-current liabilities		**1,885.17**	2,597.14	2,257.63
Current liabilities				
(a) Financial liabilities				
(i) Trade payables	16	**4,867.59**	4,647.71	4,556.33
(ii) Other financial liabilities	17	**5,718.43**	3,681.19	3,792.63
(b) Other liabilities	19	**5,848.71**	3,208.15	3,815.98
(c) Provisions	15 (ii)	**688.96**	656.58	567.92
(d) Tax liabilities (net)	18 (ii)	**2,013.94**	982.09	1,251.99
Total current liabilities		**19,137.63**	13,175.72	13,984.85
TOTAL EQUITY AND LIABILITIES		**94,857.93**	71,539.78	60,017.08
*** value is less than a lakh**				
See accompanying notes to the Ind AS financial statements	1 - 40			

As per our report of even date attached

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

Sampad Guha Thakurta
Partner
Membership No.: 060573

Bengaluru, April 26, 2018

For and on behalf of the Board

N G Subramaniam	*DIN: 07006215*	*Chairman*
Shyamala Gopinath	*DIN: 02362921*	*Director*
Madhukar Dev	*DIN: 00082103*	*Managing Director*
Muralidharan H.V		*Chief Financial Officer*
G. Vaidyanathan		*Company Secretary*

Bengaluru, April 26, 2018

Statement of Profit and Loss

₹ lakhs

	Note	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from operations	20	**138,629.55**	123,731.23
Other income (net)	21	**4,324.81**	(541.16)
Total income		**142,954.36**	123,190.07
EXPENSES			
Purchases	22	**7,728.73**	7,649.87
Employee benefits expense	23	**74,874.31**	66,568.25
Depreciation and amortisation expense	3	**2,535.45**	2,692.13
Other expenses	24	**21,425.21**	19,854.10
Total expenses		**106,563.70**	96,764.35
Profit before tax		**36,390.66**	26,425.72
Tax expense			
i) Current tax		**12,508.03**	9,017.00
ii) Deferred tax		**(121.16)**	(69.74)
Total tax expense		**12,386.87**	8,947.26
Profit for the year		**24,003.79**	17,478.46
Other comprehensive income			
(i) Items that will not be reclassified subsequently to profit or (loss)			
-Remeasurement of the defined benefit liability / (asset)		**92.94**	(365.95)
(ii) Income tax relating to items that will not be reclassified subsequently to profit or loss		**(32.16)**	126.62
Other comprehensive income / (loss) for the year, net of income tax		**60.78**	(239.33)
Total comprehensive income for the year		**24,064.57**	17,239.13
Earnings per equity share (₹)	26 & 27		
(a) Basic		**38.54**	28.07
(b) Diluted		**38.54**	28.07
See accompanying notes to the Ind AS financial statements	1 - 40		

As per our report of even date attached

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

Sampad Guha Thakurta
Partner
Membership No.: 060573

Bengaluru, April 26, 2018

For and on behalf of the Board

N G Subramaniam	*DIN: 07006215*	*Chairman*
Shyamala Gopinath	*DIN: 02362921*	*Director*
Madhukar Dev	*DIN: 00082103*	*Managing Director*
Muralidharan H.V		*Chief Financial Officer*
G. Vaidyanathan		*Company Secretary*

Bengaluru, April 26, 2018

Statement of Changes in Equity

A. EQUITY SHARE CAPITAL

₹ lakhs

Balance as at April 1, 2016	Changes in equity share capital during the year	Balance as at March 31, 2017
3,113.82	-	3,113.82

₹ lakhs

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

* Bonus equity shares issued during the year. (Refer note 27)

B. OTHER EQUITY

₹ lakhs

Particulars	Reserves and Surplus		Items of other comprehensive income	Total
	General reserve	Retained earnings	Remeasurement of the defined benefit plans	
As at April 1, 2016	7,709.82	32,950.96	-	**40,660.78**
Profit for the year	-	17,478.46	-	**17,478.46**
Other comprehensive income (net of tax)	-	-	(239.33)	**(239.33)**
Total	**7,709.82**	**50,429.42**	**(239.33)**	**57,899.91**
Dividend and dividend tax thereon paid	-	(5,246.81)	-	**(5,246.81)**
Transfer of profits of the year to general reserve	1,000.00	(1,000.00)	-	**-**
As at March 31, 2017	**8,709.82**	**44,182.61**	**(239.33)**	**52,653.10**
As at April 1, 2017	**8,709.82**	**44,182.61**	**(239.33)**	**52,653.10**
Profit for the year	-	24,003.79	-	**24,003.79**
Other comprehensive income (net of tax)	-	-	60.78	**60.78**
Total	**8,709.82**	**68,186.40**	**(178.55)**	**76,717.67**
Allotment of bonus equity share in the ratio of 1:1 (Refer note 27)	(3,113.82)	-	-	(3,113.82)
Dividend and dividend tax thereon paid	-	(5,996.36)	-	(5,996.36)
Transfer of profits of the year to general reserve	1,000.00	(1,000.00)	-	-
As at March 31, 2018	**6,596.00**	**61,190.04**	**(178.55)**	**67,607.49**

See accompanying notes to the Ind AS financial statements 1 - 40

As per our report of even date attached

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

Sampad Guha Thakurta
Partner
Membership No.: 060573

Bengaluru, April 26, 2018

For and on behalf of the Board

N G Subramaniam	*DIN: 07006215*	*Chairman*
Shyamala Gopinath	*DIN: 02362921*	*Director*
Madhukar Dev	*DIN: 00082103*	*Managing Director*
Muralidharan H.V		*Chief Financial Officer*
G. Vaidyanathan		*Company Secretary*

Bengaluru, April 26, 2018

Statement of Cash Flow

		₹ lakhs	
		Year ended March 31, 2018	Year ended March 31, 2017
A.	**Cash flows from operating activities**		
	Profit for the year	**24,003.79**	17,478.46
	Adjustment for:		
	Income tax expense recognised in profit and loss	**12,386.87**	8,947.26
	Depreciation and amortisation	**2,535.45**	2,692.13
	Interest income recognised in profit and loss	**(1,695.98)**	(1,370.11)
	Bad debts written off	**62.55**	-
	Provision for doubtful debts	**30.22**	57.89
	Loss/(Profit) on sale of assets	**3.35**	(1.20)
	Net (gain) / loss arising on financial assets mandatorily measured at fair value through profit and loss	**155.15**	(166.81)
	Net unrealised exchange loss/(gains)	**(671.13)**	1,160.37
	Operating profit before working capital changes	**36,810.27**	28,797.99
	Movement in working capital:		
	Adjustments for (increase) / decrease in operating assets:		
	Loans	**(6.08)**	21.43
	Unbilled revenue	**(2,512.78)**	(1,320.55)
	Other financial assets	**(333.24)**	5.57
	Other assets	**(1,046.07)**	26.66
	Trade receivables	**(5,783.34)**	(3,230.99)
	Adjustments for increase / (decrease) in operating liabilities:		
	Provisions	**(582.45)**	292.45
	Trade payables	**(86.15)**	294.18
	Other financial liabilities	**1,867.35**	(114.65)
	Other liabilities	**2,733.50**	(720.63)
	Cash generated from operations	**31,061.01**	24,051.46
	Income tax paid (net)	**(11,354.59)**	(9,618.72)
	Net cash generated by operating activities - (A)	**19,706.42**	14,432.74
B.	**Cash flows from investing activities**		
	Purchase of property, plant and equipment and intangibles	**(1,179.73)**	(2,614.82)
	Proceeds from sale of property, plant and equipment and intangibles	**0.42**	10.06
	Fixed deposit with banks having original maturity over 3 months, net	**(25,000.32)**	5,100.00
	Interest received	**1,464.53**	1,261.49
	Net cash used in investing activities - (B)	**(24,715.10)**	3,756.73
C.	**Cash flows from financing activities**		
	Dividend including dividend tax paid	**(5,996.36)**	(5,246.81)
	Net cash flow used in financing activities - (C)	**(5,996.36)**	(5,246.81)
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(11,005.04)**	12,942.66
	Cash and cash equivalents as at beginning of the year April 1	**19,092.64**	7,133.98
	Effects of exchange rate changes on the balances of cash and cash equivalents held in foreign currencies	**233.41**	(984.00)
	Cash and cash equivalents as at end of the year March 31 (Refer note 11)	**8,321.01**	19,092.64
	See the accompanying notes forming part of the financial statements **1 - 40**		

As per our report of even date attached

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

Sampad Guha Thakurta
Partner
Membership No.: 060573

Bengaluru, April 26, 2018

For and on behalf of the Board

N G Subramaniam	*DIN: 07006215*	*Chairman*
Shyamala Gopinath	*DIN: 02362921*	*Director*
Madhukar Dev	*DIN: 00082103*	*Managing Director*
Muralidharan H.V		*Chief Financial Officer*
G. Vaidyanathan		*Company Secretary*

Bengaluru, April 26, 2018

Notes forming part of the financial statements

A. SIGNIFICANT ACCOUNTING POLICIES

1. Corporate information

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

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

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

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

2. Basis of preparation of financial statement.

2.1 Statement of compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2017. Previous periods have been restated to Ind AS. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards, the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of Shareholders' equity as at March 31, 2017 and April 1, 2016 and of the comprehensive net income for the year ended March 31, 2017. (Refer note 2.19)

2.2 Basis of preparation and presentation

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

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013 ("the Companies Act"), as applicable and guidelines issued by the Securities and Exchange Board of India ("SEBI"). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. As these are the Company's first financial statements prepared in accordance with Ind AS, Ind AS 101, First-Time Adoption of Indian accounting Standards has been applied.

Up to the year ended March 31, 2017, the Company prepared its financial statements in accordance with the requirements of the Indian GAAP ("Previous GAAP"), which included Standards notified under the Companies (Accounting Standards) Rules, 2006. The date of transition to Ind AS is April 1, 2016. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flow of the Company is provided in Note No. 2.19.

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.

These financial statements were authorized for issue by the Board of Directors on April 26, 2018.

Notes forming part of the financial statements

2.3 Use of estimates and judgement

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

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

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

Percentage of completion of contracts

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

Useful lives of property, plant and equipment

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

Provision for income tax and valuation of deferred tax assets

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

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

Provision for warranty

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

Provisions (other than provision for warranty) and contingent liabilities

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognized nor disclosed in the financial statements. (Refer Note 32)

Notes forming part of the financial statements

2.4 Revenue recognition

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

Sale of goods

Revenue from sale of internally developed and third party products which do not require significant modification is recognized upon delivery, which is when the absolute right to use passes to the customer and the Company does not have any material remaining service obligations.

Rendering of services

a) Revenue from services is recognized upon rendering of the services. Revenue from maintenance contracts is recognized over the period of the contracts.

b) Revenue from software development on fixed price, fixed time frame contracts is recognized as per the proportionate or percentage of completion method with related costs incurred determining the degree of completion. Losses on such contracts are recognized when probable. On time and materials contracts, revenue is recognized as the related services are rendered and costs are incurred.

c) In respect of orders procured, for which sales are effected directly to the customers by the vendors, the Company accounts only for the commission, installation and other charges to which it is entitled.

d) Revenue from bundled contracts that involve supplying computer equipment, licensing software and providing services is allocated separately for each element based on their relative fair values.

e) Unbilled revenue represents cost and earnings in excess of billings as at the end of the reporting period.

f) 'Unearned revenue' represents billing in advance as per contractual terms and advance payments received from customers for whom no services are rendered are presented as 'Advance from customers'.

The Company accounts for volume discounts and pricing incentives to customers by reducing the amount of revenue recognized at the time of revenue recognition.

Revenues are shown net of taxes and applicable discounts and allowances.

2.5 Other income

Interest income is accounted using the effective interest method.

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

Foreign currency gains and losses are reported on net basis.

2.6 Leases

Finance lease

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

Operating lease

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vests with the lessor, are recognized as operating lease. Operating lease payments are recognized on a straight line basis

Notes forming part of the financial statements

over the lease term, unless the lease agreement explicitly states that increase is on account of inflation in the statement of profit and loss.

2.7 Foreign currency:

The functional currency of the Company is Indian Rupee.

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

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

2.8 Taxes on income

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

2.9 Current income taxes

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

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

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

Deferred income taxes

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

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

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

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

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

Notes forming part of the financial statements

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

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

2.10 Inventories

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

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

Cost is determined on the basis of specific identification method.

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

2.11 Financial instruments

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

Cash and cash equivalents

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

Financial assets at amortized cost

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

Financial assets at fair value through other comprehensive income

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

Financial assets at fair value through profit or loss

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

Financial liabilities at fair value through profit or loss

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

Notes forming part of the financial statements

effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition

Financial assets

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

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

Financial liabilities

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

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

2.12 Property, plant and equipment

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

The cost includes purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Subsequent expenditure on fixed assets after its purchase / completion is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Depreciation is provided for property, plant and equipment on the straight-line method 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 lives are as mentioned below:

Type of asset	Method	Useful lives
Buildings	Straight line	30 years
Plant and equipment	Straight line	6 years
Computer equipment	Straight line	3 to 6 years
Air conditioners	Straight line	6 years
Vehicles	Straight line	8 years
Office equipment	Straight line	5 years
Electrical installations	Straight line	6 years
Furniture and fixtures	Straight line	6 years

Notes forming part of the financial statements

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

Capital work-in-progress:

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

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

2.13 Intangible assets

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

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

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

The estimated useful lives are as mentioned below:

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

Intangible assets under development

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

2.14. Employee benefits

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

Defined benefit plans

Gratuity is a defined benefit 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 statement of financial position. The retirement benefit obligations recognized in the statement of financial position represents the present value of the defined obligations reduced by the fair value of scheme assets. Any, asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company.

Defined contribution plans

Contributions to defined contribution plans are recognized as expense when employees have rendered services entitling them to such benefits.

Compensated absences:

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

Notes forming part of the financial statements

2.15 Segment reporting

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

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

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

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

2.16 Earnings per share

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

2.17 Impairment

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

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

(ii) Non-financial assets

Property, plant and equipment and Intangible assets

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

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

Notes forming part of the financial statements

2.18 Operating cycle:

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

2.19 Explanation of Transition to Ind AS

The transition as at April 1, 2016 to Ind AS was carried out from Previous GAAP. The reconciliations of equity and total comprehensive income in accordance with Previous GAAP to Ind AS are explained below.

(i) Equity reconciliation:

₹ lakhs

Particulars	Note	As at March 31, 2017	As at April 1, 2016
Equity under previous GAAP		**55,898.44**	**38,569.30**
Net impact of discounting of non-current financial assets.	i	(1.36)	(1.65)
Recognition of unamortised transaction costs on financial instruments.	ii	(130.16)	(39.86)
Proposed dividend and tax thereon	iii	5,246.81	5,246.81
Proposed dividend and tax thereon paid	iii	(5,246.81)	-
Equity as per Ind AS		**55,766.92**	**43,774.60**

(ii) Total comprehensive income reconciliation :

₹ lakhs

Particulars	Note	Year ended March 31, 2017
Net income under previous GAAP		**17,329.14**
Net impact of discounting of non-current financial assets	i	0.31
Recognition of unamortised transaction costs on financial instruments	ii	(90.32)
Actuarial (gain)/loss (net of taxes) on defined benefit plans considered under other comprehensive income	iv	239.33
Net profit under Ind AS		**17,478.46**
Other comprehensive income (net of taxes), items that will not be classified into statement of profit and loss	iv	(239.33)
Total comprehensive income under Ind AS		**17,239.13**

Explanations for reconciliation of equity and profit

i) Under Ind AS, financial instruments other than those designated at fair value through profit or loss and fair value through other comprehensive income are measured at amortized cost. Under Previous GAAP they are recognized at cost. Security deposits are carried at amortized cost using effective interest rate method.

ii) Under Ind AS, the transaction cost (premium) of derivative contracts (options) is charged to profit or loss on the dates of inception. Under Previous GAAP, it is charged over the period of the option contract.

iii) Under Ind AS, liability for dividend is recognised in the period in which the obligation to pay is established. Under Previous GAAP, a liability is recognized in the period to which the dividend relates, even though the dividend may be approved by the shareholders subsequent to the reporting date. Consequently, proposed dividend including dividend tax for the financial year 2015-16 amounting to ₹ 5,246.81 lakhs has been

Notes forming part of the financial statements

reversed as at April 1, 2016 and since the same was approved by shareholders in 2016-17, it has been reduced in financial year 2016-17.

iv) Under Previous GAAP, actuarial gains and losses were recognized in the statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of re-measurement of net defined benefit liability/asset which is recognized in other comprehensive income. Consequently, the tax effect of the same has also being recognized in other comprehensive income instead of statement of profit and loss.

v) On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2016, measured as per the Previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

vi) The transition to Ind AS did not have impact on statement of cash flow.

2.20 Recently notified Indian Accounting Standards (Ind AS), effective on or after April 1, 2018

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new amendments to Ind AS which the company has not applied as they are effective for annual periods beginning on or after April 1, 2018:

Ind AS 115 – Revenue from Contracts with Customers

Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 Revenue, Ind AS 11 Construction Contracts when it becomes effective.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The Company has completed its evaluation of the possible impact of Ind AS 115 and will adopt the standard with all related amendments to all contracts with customers retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application. The Company does not expect the impact of the adoption of the new standard to be material on its retained earnings and to its net income on an ongoing basis.

Ind AS 21 – The effect of changes in Foreign Exchange rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Company is evaluating the impact of this amendment on its financial statements.

3.(i) Property, plant and equipment

₹ lakhs

Description of assets	Land - freehold	Land - leasehold	Buildings	Improvements to leasehold premises	Plant and equipment	Computer equipment	Furniture and fixtures	Office equipment	Electrical installations	Air conditioners	Vehicles	Total
I. Gross carrying amount												
Balance as at April 1, 2017	**929.90**	**49.97**	**3,864.84**	**429.75**	**40.17**	**3,597.39**	**591.67**	**793.89**	**360.11**	**339.85**	**66.92**	**11,064.46**
Additions	**-**	**-**	**0.72**	**13.50**	**2.60**	**550.25**	**41.74**	**279.99**	**11.59**	**-**	**13.20**	**913.59**
Less: Disposals/Deletions	**-**	**-**	**-**	**-**	**-**	**0.31**	**0.17**	**3.09**	**-**	**-**	**-**	**3.57**
Balance as at March 31, 2018	**929.90**	**49.97**	**3,865.56**	**443.25**	**42.77**	**4,147.33**	**633.24**	**1,070.79**	**371.70**	**339.85**	**80.12**	**11,974.48**
II. Accumulated depreciation												
Balance as at April 1, 2017	**-**	**3.40**	**152.48**	**94.67**	**8.04**	**1,187.11**	**91.61**	**162.24**	**60.48**	**66.45**	**10.02**	**1,836.50**
Add: Depreciation and amortisation expense for the year		**3.40**	**156.21**	**99.69**	**8.18**	**1,217.36**	**121.83**	**212.91**	**72.96**	**66.30**	**11.33**	**1,970.17**
Less: Eliminated on disposal of assets						**-**		**-**				**-**
Balance as at March 31, 2018	**-**	**6.80**	**308.69**	**194.36**	**16.22**	**2,404.47**	**213.44**	**375.15**	**133.44**	**132.75**	**21.35**	**3,806.67**
III. Net carrying amount (I-II)	**929.90**	**43.17**	**3,556.87**	**248.89**	**26.55**	**1,742.86**	**419.80**	**695.64**	**238.26**	**207.10**	**58.77**	**8,167.81**

₹ lakhs

Description of assets	Land - freehold	Land - leasehold	Buildings	Improvements to leasehold premises	Plant and equipment	Computer equipment	Furniture and fixtures	Office equipment	Electrical installations	Air conditioners	Vehicles	Total
I. Gross carrying amount												
Balance as at April 1, 2016	924.89	49.97	3,725.88	361.49	40.17	2,247.01	284.60	520.96	268.52	278.10	66.92	8,768.51
Additions	5.01	-	138.96	76.19	-	1,508.03	316.42	293.28	95.19	61.75	-	2,494.83
Less: Disposals/Deletions	-		-	7.93	-	157.65	9.35	20.35	3.60	-	-	198.88
Balance as at March 31, 2017	929.90	49.97	3,864.84	429.75	40.17	3,597.39	591.67	793.89	360.11	339.85	66.92	11,064.46
II. Accumulated depreciation												
Balance as at April 1, 2016	-	-	-	-	-	-	-	-	-	-	-	-
Add: Depreciation and amortisation expense for the year	-	3.40	152.48	102.60	8.04	1,343.62	100.80	176.40	63.84	66.45	10.02	2,027.65
Less: Eliminated on disposal of assets	-	-	-	7.93	-	156.51	9.19	14.16	3.36	-	-	191.15
Balance as at March 31, 2017	-	3.40	152.48	94.67	8.04	1,187.11	91.61	162.24	60.48	66.45	10.02	1,836.50
III. Net carrying amount (I-II)	929.90	46.57	3,712.36	335.08	32.13	2,410.28	500.06	631.65	299.63	273.40	56.90	9,227.96

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

Notes forming part of the financial statements

3.(ii) Intangible assets

₹ lakhs

Description of assets		Computer software	Total
I.	**Gross carrying amount**		
	Balance as at April 1, 2017	**1,953.94**	**1,953.94**
	Additions	**272.73**	**272.73**
	Less: Disposals/Deletions	**2.24**	**2.24**
	Balance as at March 31, 2018	**2,224.43**	**2,224.43**
II.	**Accumulated amortisation**		
	Balance as at April 1, 2017	**401.42**	**401.42**
	Add: Amortisation expense for the year	**565.28**	**565.28**
	Less: Eliminated on disposal of assets	**2.04**	**2.04**
	Balance as at March 31, 2018	**964.66**	**964.66**
III.	**Net carrying amount (I-II)**	**1,259.77**	**1,259.77**

₹ lakhs

Description of assets		Computer software	Total
I.	**Gross carrying amount**		
	Balance as at April 1, 2016	1,928.02	1,928.02
	Additions	290.11	290.11
	Less: Disposals/Deletions	264.19	264.19
	Balance as at March 31, 2017	1,953.94	1,953.94
II.	**Accumulated amortisation**		
	Balance as at April 1, 2016	-	-
	Add: Amortisation expense for the year	664.48	664.48
	Less: Eliminated on disposal of assets	263.06	263.06
	Balance as at March 31, 2017	401.42	401.42
III.	**Net carrying amount (I-II)**	1,552.52	1,552.52

Notes forming part of the financial statements

₹ lakhs

		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
4	**INVESTMENTS**			
	Non-current			
	Unquoted			
	Investments in other entities * (Refer note 36)	**-**	-	-
		-	-	-
	* value is less than a lakh			
5	**LOANS**			
	Unsecured, considered good			
	Current			
	Loans to employees	**83.70**	77.62	99.05
		83.70	77.62	99.05
6	**OTHER FINANCIAL ASSETS**			
	(i) Non-current			
	Security deposits			
	Considered good	**1,422.49**	1,072.34	1,046.02
	Considered doubtful	**15.98**	15.98	36.65
		1,438.47	1,088.32	1,082.67
	Less: provision for doubtful deposits	**15.98**	15.98	36.65
		1,422.49	1,072.34	1,046.02
	(ii) Current financial assets			
	a) Fair value of foreign exchange currency option contracts	**25.85**	181.00	14.19
	b) Interest receivable	**412.98**	196.67	118.67
	c) Unbilled revenue	**7,047.45**	4,534.67	3,214.12
	d) Security deposits	**2.27**	4.04	5.31
		7,488.55	4,916.38	3,352.29
7	**DEFERRED TAX ASSETS (NET)**			
	Deferred tax assets (liabilities) in relation to:			
	a) Property, plant and equipment and intangible assets	**(236.55)**	(519.29)	(570.81)
	b) Provision for employee benefits	**553.84**	758.93	562.73
	c) Provision for doubtful receivables	**94.71**	83.36	47.68
	d) Others	**-**	-	87.04
		412.00	323.00	126.64

Notes forming part of the financial statements

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2018 are as follows:

₹ lakhs

Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax assets (liabilities) in relation to:				
a) Property, plant and equipment and intangible assets	**(519.29)**	**282.74**	**-**	**(236.55)**
b) Provision for employee benefits	**758.93**	**(172.93)**	**(32.16)**	**553.84**
c) Provision for doubtful receivables	**83.36**	**11.35**	**-**	**94.71**
d) Others	**-**	**-**	**-**	**-**
	323.00	**121.16**	**(32.16)**	**412.00**

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2017 are as follows:

₹ lakhs

Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax assets (liabilities) in relation to:				
a) Property, plant and equipment and intangible assets	(570.81)	51.52	-	(519.29)
b) Provision for employee benefits	562.73	69.58	126.62	758.93
c) Provision for doubtful receivables	47.68	35.68	-	83.36
d) Others	87.04	(87.04)	-	-
	126.64	69.74	126.62	323.00

₹ lakhs

		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
8	**OTHER ASSETS**			
(i)	**Non-current**			
	Considered good			
a)	Capital advances	**14.74**	14.00	144.82
b)	Prepaid expenses	**136.59**	98.10	58.59
c)	Prepaid rent	**86.64**	7.87	22.37
		237.97	119.97	225.78

Notes forming part of the financial statements

₹ lakhs

			As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(ii)	**Current**				
	Considered good				
	a)	Prepaid expenses	**1,033.59**	1,032.48	858.92
	b)	Prepaid rent	**25.94**	14.50	30.31
	c)	Indirect taxes recoverable	**291.46**	90.20	93.98
	d)	Advance to suppliers	**210.30**	187.36	888.03
	e)	Claims receivable	**1,018.19**	220.28	-
	f)	Advance to employees	**622.41**	479.50	370.81
			3,201.89	2,024.32	2,242.05

9 TAX ASSETS (NET)

Non-current			
- Tax deducted at source/advance tax paid (net of provision)	**2,270.01**	2,488.74	2,274.35
	2,270.01	2,488.74	2,274.35

10 TRADE RECEIVABLES

Current			
Unsecured			
(a) Considered good	**30,666.64**	24,481.08	21,521.09
(b) Considered doubtful	**255.04**	224.82	146.34
	30,921.68	24,705.90	21,667.43
Less: Provision for doubtful receivables	**255.04**	224.82	146.34
	30,666.64	24,481.08	21,521.09

Above balances of trade receivables include balances with related parties (Refer note 30)

11 CASH AND CASH EQUIVALENTS

Cash on hand	**0.90**	0.74	0.65
Cheques on hand	**-**	86.93	7.94
Funds-in-transit	**1,508.50**	38.86	-
Balances with banks			
i) in current accounts	**6,811.61**	15,266.11	3,625.39
ii) Fixed deposits with maturity less than 3 months	**-**	3,700.00	3,500.00
	8,321.01	19,092.64	7,133.98

12 OTHER BANK BALANCES

a) in earmarked accounts			
- Unclaimed dividends account	**413.13**	359.85	311.47
b) Fixed deposits with maturity greater than 3 months	**30,700.32**	5,700.00	10,800.00
	31,113.45	6,059.85	11,111.47

Notes forming part of the financial statements

₹ lakhs

		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
13	**SHARE CAPITAL**			
	Authorised :			
	70,000,000 equity shares of ₹ 10/- each			
	(March 31, 2017: 35,000,000 equity shares of ₹ 10/- each)			
	(April 1, 2016: 35,000,000 equity shares of ₹ 10/- each)	**7,000.00**	3,500.00	3,500.00
	Issued :			
	62,303,840 equity shares of ₹ 10/- each			
	(March 31, 2017: 31,165,620 equity shares of ₹ 10/- each)			
	(April 1, 2016: 31,165,620 equity shares of ₹ 10/- each)	**6,230.38**	3,116.56	3,116.56
	Subscribed and fully paid up :			
	62,276,440 equity shares of ₹ 10/-each			
	(March 31, 2017: 31,138,220 equity shares of ₹ 10/- each)			
	(April 1, 2016: 31,138,220 equity shares of ₹ 10/- each)	**6,227.64**	3,113.82	3,113.82
		6,227.64	3,113.82	3,113.82

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

Equity shares with voting rights

Particulars	**As at March 31, 2018**		As at March 31, 2017		As at April 1, 2016	
	Number of shares	**Amount in ₹ lakhs**	Number of shares	Amount in ₹ lakhs	Number of shares	Amount in ₹ lakhs
Equity shares with voting rights						
Opening balance	**31,138,220**	**3,113.82**	31,138,220	3,113.82	31,138,220	3,113.82
Bonus shares issued during the year (Refer note No.27)	**31,138,220**	**3,113.82**	-	-	-	-
Closing balance	**62,276,440**	**6,227.64**	31,138,220	3,113.82	31,138,220	3,113.82

Notes forming part of the financial statements

Shares held by Tata Sons Limited, the associate company

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Number of equity shares of ₹ 10 each	**26,295,264**	13,147,632	13,147,632
	26,295,264	13,147,632	13,147,632

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

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
Name of share holder	**Number of shares held**	**% of holding in that class of shares**	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 Limited	**26,295,264**	**42.22%**	13,147,632	42.22%	13,147,632	42.22%

Rights, preferences and contingencies attached to equity shares

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

₹ lakhs

		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
14	**OTHER EQUITY**			
(i)	**General reserve:**			
	Opening balance	**8,709.82**	7,709.82	7,709.82
	Add: Transferred from surplus in statement of profit and loss	**1,000.00**	1,000.00	-
	Less: Ultilisation of general reserve for allotment of bonus equity share at the ratio of 1:1 (Refer note 27)	**(3,113.82)**	-	-
		6,596.00	8,709.82	7,709.82
(ii)	**Surplus in statement of profit and loss**			
	Opening balance	**43,943.28**	32,950.96	32,950.96
	Add/(Less): Transferred from other comprehensive income for the year for the period / year	**60.78**	(239.33)	-
	Less: Dividend including tax on dividend	**(5,996.36)**	(5,246.81)	-
	Add: Net profit for the year	**24,003.79**	17,478.46	-

Notes forming part of the financial statements

₹ lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balance available for appropriation	**62,011.49**	44,943.28	32,950.96
Less: Appropriations			
a) Transfer to general reserve	**1,000.00**	1,000.00	-
Closing balance	**61,011.49**	43,943.28	32,950.96
	67,607.49	52,653.10	40,660.78

₹ lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
15 PROVISIONS			
(i) Non-current			
(a) Provision for employee benefits			
- Provision for compensated absences	**915.08**	901.62	697.83
- Gratuity	**58.18**	686.47	433.32
	973.26	1,588.09	1,131.15
(ii) Current			
(a) Provision for employee benefits			
- Provision for compensated absences	**609.40**	604.64	526.83
(b) Other provisions			
- Provision for warranty	**79.56**	51.94	41.09
	688.96	656.58	567.92

Details of movement in other provisions is as follows:

₹ lakhs

Particulars	Amount
Balance as at April 1, 2016	**41.09**
Provisions made during the year	**51.94**
Provisions utilised during the year	**-**
Unused amounts reversed during the year	**(41.09)**
Balance as at March 31, 2017	**51.94**
Balance as at April 1, 2017	**51.94**
Provisions made during the year	**79.56**
Provisions utilised during the year	**-**
Unused amounts reversed during the year	**(51.94)**
Balance as at March 31, 2018	**79.56**

Notes forming part of the financial statements

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.

₹ lakhs

		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
16	**TRADE PAYABLES**			
	Current			
	- Acceptances	**132.79**	132.92	171.57
	- Other than acceptances			
	Trade payables - Micro, small and medium enterprises	**-**	-	-
	Trade payables - Other than micro, small and medium enterprises	**4,734.80**	4,514.79	4,384.76
		4,867.59	4,647.71	4,556.33
	Above balances of trade payable include balances with related parties (Refer note 27)			
17	**OTHER FINANCIAL LIABILITIES**			
	Current			
	a) Employee related liabilities	**4,942.18**	3,074.98	3,189.63
	b) Payables on purchase of fixed assets	**359.97**	243.36	288.53
	c) Security deposit	**3.15**	3.00	3.00
	d) Unclaimed dividend	**413.13**	359.85	311.47
		5,718.43	3,681.19	3,792.63
18	**TAX LIABILITIES**			
	(i) Non-current			
	- Provision for taxation (net of advance tax)	**911.91**	1,009.05	1,126.48
		911.91	1,009.05	1,126.48
	(ii) Current			
	- Provision for taxation (net of advance tax)	**2,013.94**	982.09	1,251.99
		2,013.94	982.09	1,251.99
19	**OTHER LIABILITIES**			
	Current			

Notes forming part of the financial statements

a)	Advance from customers	**1,018.60**	585.83	1,148.88
b)	Unearned revenue	**1,272.00**	693.22	820.32
c)	Statutory and other liabilities	**3,558.11**	1,929.10	1,846.78
		5,848.71	3,208.15	3,815.98

₹ lakhs

		For the year ended March 31, 2018	For the year ended March 31, 2017
20	**REVENUE FROM OPERATIONS**		
	Rendering of services	**136,133.42**	120,528.24
	Sale of traded goods	**2,496.13**	3,202.99
		138,629.55	123,731.23
21	**OTHER INCOME**		
a)	Interest income:		
i)	Interest from banks on deposits	**1,464.45**	954.69
ii)	Interest - others	**216.39**	384.80
iii)	Interest income on financial assets at amortised cost	**15.14**	30.62
b)	Other gains and losses:		
i)	Net gain or (loss) on foreign currency transactions	**1,608.87**	(2,375.91)
ii)	Net gain / (loss) arising on financial assets measured at fair value through profit or loss	**(155.15)**	166.81
iii)	Gain / (loss) on sale of property, plant and equipment	**(3.35)**	1.20
c)	Other non-operating income:		
i)	Export and other incentives/credits	**1,079.00**	220.28
ii)	Miscellaneous income	**99.46**	76.35
		4,324.81	(541.16)
22	**PURCHASES**		
	Spares, consumables and others	**5,862.69**	5,364.62
	Purchase of traded goods - computers, networking and storage systems and components and parts	**1,866.04**	2,285.25
		7,728.73	7,649.87

Note: There was no opening or closing inventory during the year

23 EMPLOYEE BENEFITS EXPENSES

Notes forming part of the financial statements

Salaries and wages	**69,430.12**	61,780.74
Contribution to provident and other funds	**2,209.12**	1,904.37
Staff welfare expenses	**3,235.07**	2,883.14
	74,874.31	66,568.25

₹ lakhs

		For the year ended March 31, 2018	For the year ended March 31, 2017
24	**OTHER EXPENSES**		
Operating lease rentals		**1,704.91**	1,614.48
Rates and taxes		**141.84**	102.39
Power and fuel		**882.86**	865.12
Repairs and maintenance	: Building	**359.11**	366.61
	: Plant and equipment	**407.74**	385.90
	: Others	**549.01**	485.94
Communication expenses		**1,095.30**	1,079.43
Inland travel and conveyance		**791.49**	823.97
Overseas travel		**6,638.78**	5,662.87
Advertisement and sales promotion expenses		**748.50**	749.33
Commission on sales		**239.08**	146.61
Printing and stationery		**69.81**	58.98
Motor vehicle expenses		**383.82**	363.17
Recruitment		**142.87**	154.16
Consultant fees for software development		**5,088.49**	5,306.20
Expenditure on Corporate Social Responsibility (Refer note 35)		**266.11**	267.99
Legal and professional charges		**1,288.68**	909.09
Insurance		**186.77**	166.14
Bank and other charges		**79.90**	75.89
Auditors' remuneration (Refer note (i) below)		**44.69**	58.20
Provision for doubtful debts		**30.22**	57.89
Bad debts written off		**62.55**	-
Provision for warranty (net)		**27.62**	10.85
Miscellaneous expenses		**195.06**	142.89
		21,425.21	19,854.10

Note (i): Payments to the auditors excluding service tax, comprises:

As auditors - statutory audit	**39.25**	52.20
Company law matters	**1.00**	1.00
Other services	**-**	0.50
Reimbursement of expenses	**4.44**	4.50
	44.69	58.20

Notes forming part of the financial statements

B. NOTES ON ACCOUNTS

25. a. Income tax expense

₹ lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Current tax:		
- In respect of current year	**12,508.03**	9,017.00
Deferred tax:		
- In respect of current year	**(121.16)**	(69.74)
Total income tax expense recognised	**12,386.87**	8,947.26

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

₹ lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit before tax	**36,390.66**	26,425.72
Expected income tax expense calculated at 34.608%	**12,594.08**	9,145.41
Effect of expenses that are not deductible in determining taxable profit	**101.65**	47.57
Effect of concessions	**(308.86)**	(245.72)
Income tax expense recognised in profit or loss	**12,386.87**	8,947.26

The tax rate used for 2017-18 reconciliation above is the corporate tax rate of 34.608% payable by corporate entities in India on taxable profits under Indian tax law.

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

26. Earnings per share

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Earnings per share		
Basic		
Net profit / (loss) for the year attributable to the equity shareholders (₹ lakhs)	**24,003.79**	17,478.46
Weighted average number of equity shares	**62,276,440**	31,138,220
Par value per share (₹)	**10**	10
Earnings per share - basic and diluted (₹)	**38.54**	28.07*

*EPS for the comparative period has been represented giving effect of the Bonus issue of Shares. (Refer Note 27).

Notes forming part of the financial statements

27. The bonus issue in the proportion of 1:1 i.e.1 (One) bonus equity share of ₹10 each for every 1 (one) fully paid-up equity share held was approved by the shareholders of the Company on September 7, 2017 through postal ballot. For this purpose, September 19, 2017, was fixed as the record date. Consequently, on September 20, 2017, the Company allotted 31,138,220 shares and of ₹ 311,382,200 (representing par value of ₹ 10 per share) has been transferred from general reserve to share capital.

28. Employee benefit plans

28.1a Defined contribution plans

The Company makes Provident Fund, Superannuation Fund and contributions to Employee State Insurance as defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.

The Company recognised i) ₹ 1239.70 lakhs and ₹ 1,170.26 lakhs for Provident Fund contributions for the year ended March 31, 2018 and March 31, 2017, respectively. ii) ₹ 604.77 lakhs and ₹ 476.91 lakhs for Superannuation Fund contributions for the year ended March 31, 2018 and March 31, 2017, respectively and iii) ₹ 6.34 lakhs and ₹ 4.77 lakhs for Employee State Insurance Scheme for the year ended March 31, 2018 and March 31, 2017, respectively in the Statement of profit and loss. The Company also had contributed towards Employee Social benefit Schemes outside India amounting to ₹ 2,309.90 lakhs and ₹ 1,925.83 lakhs for the year ended March 31, 2018 and March 31, 2017, respectively. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

28.1b Defined benefit plans

The Company offers gratuity (included as part of Contribution to Provident and other funds in Note 23 Employee benefits expense) to its eligible employees under defined benefit plans.

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

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

₹ lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Change in defined benefit obligations		
Present value of DBO at beginning of the year	**2,281.20**	1,765.27
Current service cost	**315.64**	223.74
Interest cost	**162.88**	136.28
Remeasurement of the net defined benefit liability	**(76.37)**	364.48
Benefits paid	**(218.02)**	(208.57)
Present value of DBO at the end of the year	**2,465.33**	2,281.20
Change in fair value of plan assets during the year		
Fair value of plan assets at beginning of the year	**1,594.73**	1,331.95
Interest Income	**113.86**	102.83
Employer's Contribution	**900.00**	370.00
Remeasurement-return on plan assets excluding amount included in interest income	**16.57**	(1.48)

Notes forming part of the financial statements

₹ lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Benefits paid	**(218.02)**	(208.57)
Plan assets at the end of the year	**2,407.14**	1,594.73
Funded status		
Deficit of plan assets over obligations	**(58.18)**	(686.47)
Category of Assets		
Insurer managed funds	**2,407.14**	1,594.73
Service Cost	**315.64**	223.74
Net interest on net defined benefit (assets)/liability	**49.02**	33.45
Net periodic gratuity cost	**364.66**	257.19
Actual return on plan assets	**113.86**	102.83
Actuarial (gains) and losses arising from changes in financial assumptions	**(70.13)**	88.64
Actuarial losses and (gains) arising from changes in experience adjustments	**(6.24)**	275.84
Remeasurement of the net defined benefit liability	**(76.37)**	364.48
Remeasurement - return on plan assets excluding amount included in interest income	**(16.57)**	1.47
Total	**(92.94)**	365.95

	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended April 1, 2016
Actuarial assumptions for long-term compensated absences			
Discount rate	**7.56%**	7.14%	7.72%
Expected return on plan assets	**7.56%**	7.14%	7.72%
Salary escalation	**5.00%**	5.00%	5.00%
Attrition : If past service <5 years	**10.00%**	10.00%	10.00%
: If past service >5 years	**8.00%**	8.00%	8.00%

The expected benefits are based on the same assumptions as are used to measure the Company's defined benefit plan obligations as at March 31, 2018. The Company is expected to contribute ₹ 990.00 lakhs to defined benefit obligations funds for the year ending March 31, 2019.

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

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

Notes forming part of the financial statements

If the discount rate increases (decreases) by 1%, the defined benefit obligations would decrease by ₹ 151.79 lakhs (increase by ₹ 173.95 lakhs) as at March 31, 2018. If the expected salary growth increases (decreases) by 1%, the defined benefit obligations would increase by ₹ 176.70 lakhs (decrease by ₹ 156.64 lakhs) as at March 31, 2018. If the employee turnover rate increases (decreases) by 1%, the defined benefit obligation would increase by ₹ 28.03 lakhs (decrease by ₹ 32.47 lakhs).

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

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

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

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

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

The defined benefit obligations shall mature after year ended March 31, 2018 as follows.

₹ lakhs

Year ending March 31,	Defined benefit obligations
2019	390.27
2020	202.75
2021	222.88
2022	244.16
2023	256.87
Thereafter	3,473.74

29. Financial instruments- Fair values and Risk management

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

(a) Financial assets and liabilities

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

₹ lakhs

Particulars	Derivative instruments not in hedging relationship	Amortised cost	Total carrying value
Assets:			
Trade receivables	-	**30,666.64**	**30,666.64**
Cash and cash equivalents	-	**8,321.01**	**8,321.01**
Other bank balances	-	**31,113.45**	**31,113.45**
Loans	-	**83.70**	**83.70**
Unbilled revenue	-	**7,047.45**	**7,047.45**
Other financial assets	**25.85**	**1,837.74**	**1,863.59**

Notes forming part of the financial statements

₹ lakhs

Particulars	Derivative instruments not in hedging relationship	Amortised cost	Total carrying value
Total	**25.85**	**79,069.99**	**79,095.84**
Liabilities:			
Trade payables	**-**	**4,867.59**	**4,867.59**
Other financial liabilities	**-**	**5,718.43**	**5,718.43**
Total	**-**	**10,586.02**	**10,586.02**

The carrying value of financial instruments by categories as of March 31, 2017 is as follows:

₹ lakhs

Particulars	Derivative instruments not in hedging relationship	Amortised cost	Total carrying value
Assets:			
Trade receivables	-	24,481.08	24,481.08
Cash and cash equivalents	-	19,092.64	19,092.64
Other bank balances	-	6,059.85	6,059.85
Loans	-	77.62	77.62
Unbilled revenue	-	4,534.67	4,534.67
Other financial assets	181.00	1,273.05	1,454.05
Total	181.00	55,518.91	55,699.91
Liabilities:			
Trade payables	-	4,647.71	4,647.71
Other financial liabilities	-	3,681.19	3,681.19
Total	-	8,328.90	8,328.90

The carrying value of financial instruments by categories as of April 1, 2016 is as follows:

₹ lakhs

Particulars	Derivative instruments not in hedging relationship	Amortised cost	Total carrying value
Assets:			
Trade receivables	-	21,521.09	21,521.09
Cash and cash equivalents	-	7,133.98	7,133.98
Other bank balances	-	11,111.47	11,111.47
Loans	-	99.05	99.05
Unbilled revenue	-	3,214.12	3,214.12
Other financial assets	14.19	1,170.00	1,184.19

Notes forming part of the financial statements

₹ lakhs

Particulars	Derivative instruments not in hedging relationship	Amortised cost	Total carrying value
Total	14.19	44,249.71	44,263.90
Liabilities:			
Trade payables	-	4,556.33	4,556.33
Other financial liabilities	-	3,792.63	3,792.63
Total	-	8,348.96	8,348.96

(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, 2018	Level 1	Level 2	Level 3	Total
Financial assets:				
Derivative financial assets	-	25.85	-	25.85
Total	-	**25.85**	-	**25.85**

₹ lakhs

As at March 31, 2017	Level 1	Level 2	Level 3	Total
Financial assets:				
Derivative financial assets	-	181.00	-	181.00
Total	-	**181.00**	-	**181.00**

₹ lakhs

As at March 31, 2016	Level 1	Level 2	Level 3	Total
Financial assets:				
Derivative financial assets	-	14.19	-	14.19
Total	-	**14.19**	-	**14.19**

Notes forming part of the financial statements

(c) Financial risk management

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

(d) Interest rate risk

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

(e) Credit risk:

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

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled revenue, derivative financial instruments, cash and cash equivalents, other bank balances and other financial assets. Other bank balances include bank deposits for an amount of ₹ 3070.00 lakhs held with two schedule banks having high credit–rating which are individually in excess of 10% or more of the company bank deposits for the year ended March 31, 2018. Trade receivables and unbilled revenue include an amount of ₹ 10,116.71 lakhs held with one customer having high credit-rating which are individually in excess of 10% or more of company trade receivables and unbilled revenue for the year ended March 31, 2018.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to the credit risk was ₹ 79,069.99 lakhs and ₹ 55,699.91 lakhs as at March 31, 2018 and March 31, 2017, respectively, being the total of the carrying amount of balances principally with banks, other bank balances, trade receivables, unbilled revenue and other financial assets.

The Company's exposure to customers is diversified and except one customer, no single customer contributes to more than 10% and 10% of outstanding accounts receivable and unbilled revenue as at March 31, 2018 and March 31, 2017, respectively.

Geographic concentration of credit risk

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

Country	As at March 31, 2018		As at March 31, 2017	
	Gross %	Net %	Gross %	Net %
United Kingdom	31.79%	32.01%	44.79%	45.12%
United States of America	16.81%	16.91%	26.90%	26.58%
India	25.36%	24.96%	19.40%	19.12%
Others	26.04%	26.12%	8.92%	9.18%

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

ii) Liquidity risk:

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

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

Notes forming part of the financial statements

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

₹ lakhs

	Due in year 1	Due in year 2	Due in year 3	Due in year 4	Due in year 5	Total
March 31, 2018						
Non-derivative financial liabilities:						
Trade payables	4,867.59	-	-	-	-	4,867.59
Other financial liabilities	5,718.43	-	-	-	-	5,718.43
Total	10,586.02	-	-	-	-	10,586.02

₹ lakhs

	Due in year 1	Due in year 2	Due in year 3	Due in year 4	Due in year 5	Total
March 31, 2017						
Non-derivative financial liabilities:						
Trade payables	4,647.71	-	-	-	-	4,647.71
Other financial liabilities	3,681.19	-	-	-	-	3,681.19
Total	8,328.90	-	-	-	-	8,328.90

iii) Market risk:

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

(a) Foreign currency exchange rate risk:

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

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

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

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

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

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

Notes forming part of the financial statements

The following table sets forth information relating to foreign currency exposures as at March 31, 2018, March 31, 2017 and April 1, 2016.

March 31, 2018					₹ lakhs
	USD	**GBP**	**EUR**	**Others***	**Total**
Total financial assets	12,615.07	13,708.28	8,815.94	4,254.69	39,393.98
Total Financial liabilities	1,734.01	738.36	799.68	156.12	3,428.17

March 31, 2017					₹ lakhs
	USD	**GBP**	**EUR**	**Others***	**Total**
Total financial assets	16,473.62	13,854.52	4,436.52	2,544.74	37,309.41
Total Financial liabilities	1,136.03	343.65	594.22	162.36	2,236.25

April 1, 2016					₹ lakhs
	USD	**GBP**	**EUR**	**Others***	**Total**
Total financial assets	7,439.71	10,449.45	2,547.64	1,930.93	22,367.72
Total Financial liabilities	1,407.89	400.58	378.47	58.82	2,245.76

10% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the company would result in decrease/ increase in the company's profit before tax by approximately ₹ 3,596.88 lakhs for the year ended March 31, 2018 and ₹ 3,507.32 lakhs for the year ended March 31, 2017 respectively.

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

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

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

Foreign Currency	**March 31, 2018**	
	No. of contracts	Notional amount of contracts (Currency value in lakhs)
US Dollar	3	80.00
Sterling Pound	3	35.00
Euro	3	17.50

Foreign Currency	**March 31, 2017**	
	No. of contracts	Notional amount of contracts (Currency value in lakhs)
US Dollar	3	47.50
Sterling Pound	5	77.50
Euro	3	12.50

Notes forming part of the financial statements

Foreign Currency	April 1, 2016	
	No. of contracts	Notional amount of contracts (Currency value in lakhs)
US Dollar	1	20.00
Sterling Pound	1	22.50
Euro	1	5.00

30. 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.

Related parties with their relationship

Names of related parties	Description of relationship
Tata Sons Limited	Company with significant influence
Mr. Madhukar Dev, Managing Director	Key Managerial Personnel
Mr. Muralidharan H.V, Chief Financial Officer (w.e.f. July 27, 2017)	Key Managerial Personnel
Mr. Ramaseshan K, Chief Financial Officer(Up to May 31, 2017)	Key Managerial Personnel
Mr. G. Vaidyanathan, Company Secretary	Key Managerial Personnel
Tata Elxsi Employees' Provident Fund Trust	Post-employment benefit plan of Tata Elxsi Limited
Tata Elxsi Employees' Gratuity Fund Trust	Post-employment benefit plan of Tata Elxsi Limited
Tata Elxsi Employees' Superannuation Fund Trust	Post-employment benefit plan of Tata Elxsi Limited
Tata Consultancy Services Limited	Subsidiary of Tata Sons Ltd
Tata Sky Limited	Subsidiary of Tata Sons Ltd
Tata Capital Financial Services Ltd	Subsidiary of Tata Sons Ltd
Tata Housing Development Company Ltd	Subsidiary of Tata Sons Ltd
Tata International West Asia DMCC	Subsidiary of Tata Sons Ltd
Tata Limited	Subsidiary of Tata Sons Ltd
Tata-Aig General Insurance Company Limited	Subsidiary of Tata Sons Ltd
TC Travel And Services Ltd (Up to Oct 30, 2017)	Subsidiary of Tata Sons Ltd

Notes forming part of the financial statements

30.1 Details of related party transactions:

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

₹ lakhs

Particulars	Company with significant influence	Key Managerial Personnel	Subsidiaries of Tata Sons Limited	Other related parties	Total
Revenue from operations	43.57	-	900.25	-	943.82
Dividend paid	2,103.62	-	116.80	-	2,220.42
Purchase of goods, services (including reimbursement)	-	-	781.23	-	781.23
Receiving of services - Brand fee and other services	417.48	-	-	-	417.48
Remuneration and commission	-	807.22	-	-	807.22
Contribution to employees' post employment plan	-	-	-	3,483.94	3,483.94
Balances outstanding at the end of the year:					
Trade Receivable	66.91	-	249.81	-	316.72
Trade Payable	339.45	-	0.86	-	340.31
Other payable	-	325.00	-	-	325.00

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

The transactions during the year ended March 31, 2017 and balances outstanding as at March 31, 2017:

₹ lakhs

Particulars	Company with significant influence	Key Managerial Personnel	Subsidiaries of Tata Sons Limited	Other related parties	Total
Revenue from operations	0.20	-	554.53	-	554.73
Dividend paid	1,840.67	-	105.00	-	1,945.67
Purchase of goods, services (including reimbursement)	-	-	938.43	-	938.43
Receiving of services - Brand fee and other services	344.98	-	-	-	344.98
Remuneration and commission	-	698.67	-	-	698.67
Contribution to employees' post employment plan	-	-	-	2,689.90	2,689.90
Balances outstanding at the end of the year:					
Trade Receivable	-	-	43.08	-	43.08
Trade Payable	297.60	-	-	-	297.60
Other payable	-	275.00	-	-	275.00

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

Notes forming part of the financial statements

31. Operating lease

₹ lakhs

Leases as lessee	For the year ended March 31, 2018	For the year ended March 31, 2017
Details of leasing arrangements The Company has entered into operating lease arrangements for certain facilities and office premises. Some of these leases are non-cancellable and are for a period of one to three years and may be renewed based on mutual agreement of the parties. These lease agreements provide for an increase in the lease payments up to 15 % as per lease agreements.		
Future minimum lease payments:		
not later than one year	**483.11**	487.68
later than one year and not later than five years	**1,148.17**	266.04
Above five years	**225.42**	-
Lease payments recognised in the Statement of Profit and Loss	**1,704.91**	1,614.48

32. Contingent liabilities and Commitments:

₹ lakhs

	As at March 31, 2018	As at March 31, 2017
Contingent liabilities and commitments (to the extent not provided for)		
Contingent liabilities:		
Claims against the Company not acknowledged as debt		
1. Disputed demands for income tax aggregates	**1,973.56**	1,973.56
2. Service tax matters	**842.26**	842.26

Notes:

i. Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

ii. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

₹ lakhs

	As at March 31, 2018	As at March 31, 2017
Capital Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for		
Property, plant and equipment	**631.57**	167.50
Intangible assets	**26.46**	29.74

Notes forming part of the financial statements

33. Segment information

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

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

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

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

₹ lakhs

Particulars	**Year ended March 31, 2018**	Year ended March 31, 2017
Segment revenue		
Software development & services	**132,938.93**	117,072.39
System integration & support services	**5,690.62**	6,658.84
Total	**138,629.55**	123,731.23
Segment results		
Software development & services	**39,620.14**	28,973.04
System integration & support services	**842.34**	835.67
Total	**40,462.48**	29,808.71
Less: Unallocable expenditure (net of unallocable income)	**4,071.82**	3,382.99
Profit before tax	**36,390.66**	26,425.72
Tax expense	**12,386.87**	8,947.26
Net profit for the year	**24,003.79**	17,478.46
	As at March 31, 2018	As at March 31, 2017
Segment assets		
Software development & services	**47,436.09**	43,594.00
System integration & support services	**1,707.87**	2,439.01
Unallocable assets	**45,713.97**	25,506.77
Total	**94,857.93**	71,539.78
Segment liabilities		
Software development & services	**11,008.30**	6,736.07
System integration & support services	**1,494.45**	1,621.75
Unallocable liabilities	**8,520.05**	7,415.04
Total	**21,022.80**	15,772.86

Notes forming part of the financial statements

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

₹ lakhs

Geographic Segment	Revenues For the year ended March 31, 2018	Non-current operating assets As at March 31, 2018	Revenues For the year ended March 31, 2017	Non-current operating assets As at March 31, 2017
India	**17,596.39**	**12,122.85**	19,188.29	13,456.63
US	**41,003.27**	**10.41**	40,646.99	15.05
Europe	**60,680.52**	**12.32**	53,783.69	19.75
Others	**19,349.36**	**2.62**	10,112.26	1.12
Total	**138,629.55**	**12,148.20**	123,731.23	13,492.55

Information about major customers:

The revenues of ₹ 132,938.93 (previous year ₹ 117,072.39) lakhs arising from the software development and services segment includes ₹ 35,079.76 (Previous year ₹ 32,763.89) lakhs representing revenue of more than 10% of the total revenue of the Company is from one customer.

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

₹ lakhs

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year	**-**	-	-
(ii)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	**-**	-	-
(iii)	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	**190.45**	137.06	158.47
(iv)	The amount of interest due and payable for the year	**0.51**	0.69	1.36
(v)	The amount of interest accrued and remaining unpaid at the end of the accounting year	**-**	-	-
(vi)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	**-**	-	-

35. Corporate Social Responsibility:

a. Gross amount required to be spent by the Company during the year ₹ 375.09 lakhs (March 31, 2017 ₹ 282.09 lakhs)

b. Amount spent during the year on :

₹ lakhs

	For the year ended March 31, 2018			For the year ended March 31, 2017		
Particulars	**In cash**	**Yet to be paid in cash**	**Total**	In cash	Yet to be paid in cash	Total
Construction/acquisition of any asset	**Nil**	**Nil**	**Nil**	Nil	Nil	Nil
On purpose other than (i) above	**284.86**	**Nil**	**284.86***	282.09	Nil	282.09*

* Includes overhead expense of ₹ 18.75 lakhs (March 31, 2017 ₹ 14.10 lakhs)

Notes forming part of the financial statements

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

Name of the Company	No. shares allotted /transferred	Face value of shares (₹)
Big V Telecom Private Limited	22,250	10
Sismatik Solutions Private Limited	1,000	10
Street Smart Mobile Technologies Private Limited	2,000	10

Considering probability of successful outcome of such development and the ability of these entities to commercialise the product being developed, as a matter of prudence the company has recorded these investments at ₹ 1/-. Any gain on such investment will be recognized on its disposal.

37. The aggregate amount of research and development expenditure recognised as an expense during the year is ₹ 1,990.67 lakhs (Previous year ₹ 1,689.82 lakhs).

38. Subsequent event note

Dividends

During the year ended March 31, 2018 the Company paid total dividends of ₹ 16 per equity share for the year ended March 31, 2017. During the year ended March 31, 2017 the Company paid total dividends of ₹ 14 per equity share for the year ended March 31, 2016.

Dividends declared by the Company are based on the profit available for distribution. Distribution of dividend out of General Reserve and Retained earnings is subject to applicable dividend distribution tax. On April 26, 2018, the Board of Directors of the Company have proposed a final dividend of ₹ 11 per share in respect of the year ended March 31, 2018 subject to the approval of shareholders at the Annual General Meeting.

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

40. Previous year financial statements were audited by a firm other than B S R & Co LLP.

As per our report of even date attached

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

Sampad Guha Thakurta
Partner
Membership No.: 060573

Bengaluru, April 26, 2018

For and on behalf of the Board

N G Subramaniam	*DIN: 07006215*	*Chairman*
Shyamala Gopinath	*DIN: 02362921*	*Director*
Madhukar Dev	*DIN: 00082103*	*Managing Director*
Muralidharan H.V		*Chief Financial Officer*
G. Vaidyanathan		*Company Secretary*

Bengaluru, April 26, 2018

Significant three years' highlights

₹ lakhs

	31.03.2018	31.03.2017	31.03.2016
Income			
Revenue from operations	**138629.55**	123731.23	107520.61
Other Income	**4324.81**	(541.16)	1185.91
Total	**142954.36**	123190.07	108706.52
Expenditure			
Cost of sales	**7728.73**	7649.87	6997.87
Personnel expenses	**74874.31**	66568.25	57648.74
Depreciation / amortisation expense	**2535.45**	2692.13	2260.42
Other expenses	**21425.21**	19854.1	18165.18
Total	**106563.70**	96764.35	85072.21
Profit before tax	**36390.66**	26425.72	23634.31
Provision for Tax	**(12,386.87)**	(8,947.26)	(8,153.30)
Profit for the year	**24,003.79**	17,478.46	15,481.01

Significant Ratio Analysis

Particulars	**Unit**	**31.03.2018**	31.03.2017	31.03.2016
Earnings before interest, depreciation and tax/Sales	%	**28.08**	23.53	24.08
Profit before taxes/Sales	%	**26.25**	21.36	21.98
Profit after taxes/Sales	%	**17.32**	14.13	14.40
Current Ratio	**No. of Times**	**4.23**	4.30	3.25
Debt Equity Ratio	%	**–**	–	-
Earnings per share	₹	**38.54**	28.07	24.86
Dividend per share	₹	**11.00**	16.00	14.00
Book Value per share	₹	**118.56**	89.55	70.29
Return on Net Worth	%	**32.51**	31.34	35.37
Return on Capital Employed	%	**32.51**	31.34	35.37

Nomination Form

[Pursuant to Section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014]

Tata Elxsi Limited

ITPB Road, Whitefield, Bengaluru - 560 048

I/We the holder(s) of the securities, particulars of which are given hereunder, wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my/our death.

(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)

Nature of securities	Folio No.	No. of securities	Certificate No.	Distinctive No.

(2) PARTICULARS OF NOMINEE/S –

(a) Name :

(b) Date of Birth:

(c) Father's/Mother's/Spouse's name:

(d) Occupation:

(e) Nationality:

(f) Address:

(g) E-mail Id:

(h) Relationship with the security holder:

(3) IN CASE NOMINEE IS A MINOR –

(a) Date of birth:

(b) Date of attaining majority:

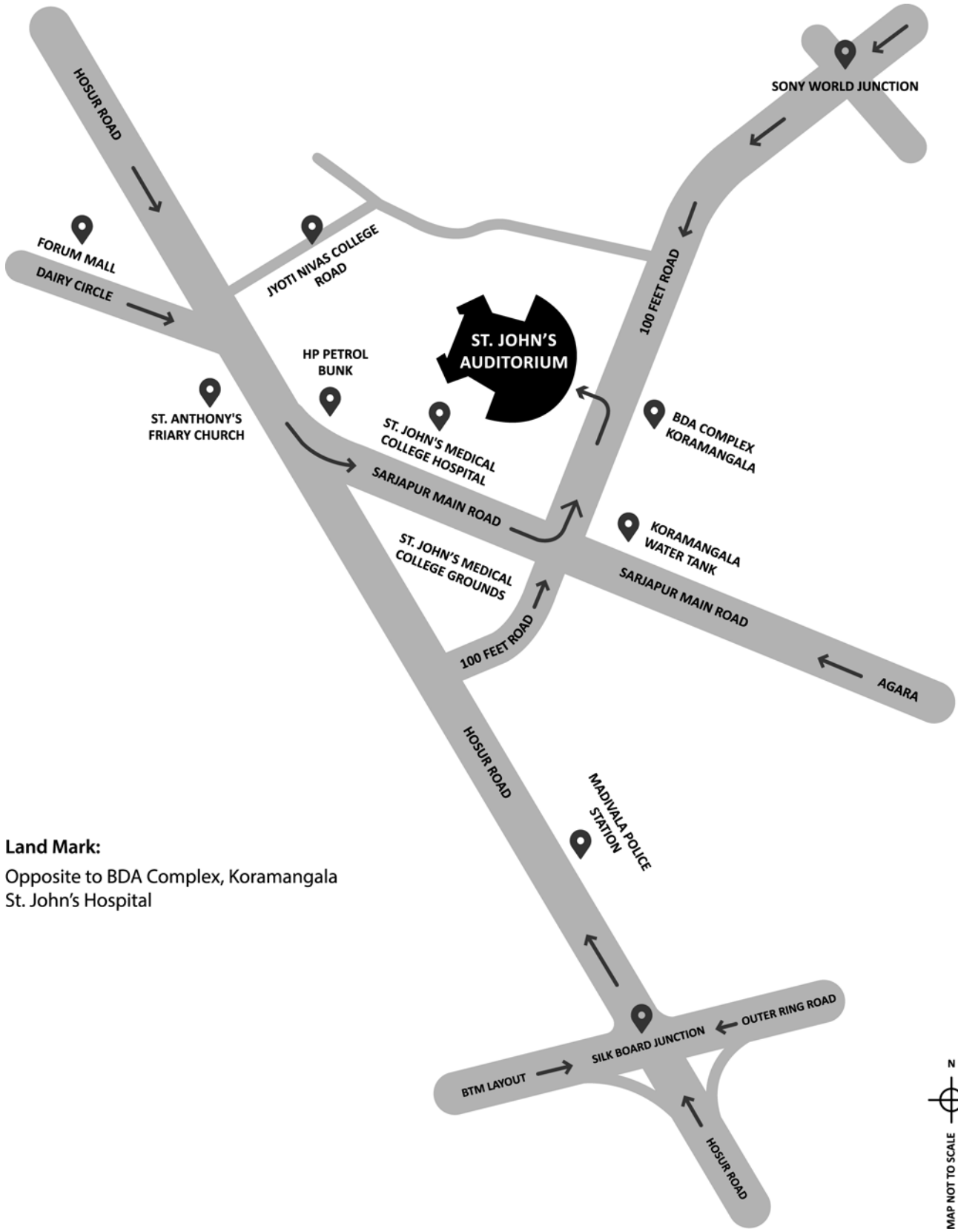
(c) Name of guardian:

(d) Address of guardian

Name:

Address:

Name of the Security holder (s) Signature Witness with name, address and signature



Land Mark:

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

NOTES

TATA ELXSI LIMITED

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

PROXY FORM

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

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

*Applicable to shareholders holding shares in electronic form

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

Tata Elxsi Limited, hereby appoint:

1) ..... of ..... having e-mail i.d ..... or failing him

2) ..... of ..... having e-mail i.d ..... or failing him

3) ..... of ..... having e-mail i.d ..... and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me /us and on my/our behalf at the 29th Annual General Meeting of the Company, to be held at St.John's Auditorium, John Nagar, Koramangala, Bengaluru- 560 034, on Wednesday the July 25, 2018 at 12.30 PM and any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	FOR	AGAINST
1.	Adoption of financial statements for the year ended March 31, 2018 together with Directors' Report and Auditors' Report		
2.	Declaration of dividend for the financial year 2017-18		
3.	Re-appointment of Mr. N.G. Subramaniam as a Director of the Company, liable to retire by rotation		
4.	Ratification of the re-appointment of statutory auditors.		

Signed this _____day of_____2018.

Please affix Revenue Stamp

Signature of Shareholder: _____

Signature of Proxy holder _____

Notes:

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

TATA ELXSI LIMITED

Corporate Identification No. L85110KA1989PLC009968
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Email id: investors@tataelxsi.com Website: www.tataelxsi.com

ATTENDANCE SLIP

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

DP.Id*:	
Client Id*:	

*Applicable to shareholders holding shares in electronic form

Folio No.	
No. of Shares	

Name and Address of the Shareholder:

Signature of Shareholder/Proxy

I hereby record my presence at the 29th Annual General Meeting of the Company held at St. John's Auditorium, John Nagar, Koramangala, Bengaluru- 560 034, on Wednesday the July 25, 2018 at 12.30 PM.

LEADERSHIP WITH TRUST
SINCE 1868

₹ 656,973 CRORE REVENUE

600 MILLION+ CONSUMERS

In a free enterprise,
the community is not just another
stakeholder in business, but is in fact
the very purpose of its existence.
- Jamsetji Tata



695,699 EMPLOYEES

₹ 27,346 CRORE PROFIT AFTER TAX

3.98 MILLION SHAREHOLDERS

150+ COUNTRIES

66% OF PARENT COMPANY TATA SONS' EQUITY SHARE CAPITAL HELD BY PHILANTHROPIC TRUSTS

150 YEARS

The figures are aggregated for Tata companies for the financial year ended 31.03.2017.

From pioneering businesses, to pioneering welfare practices,
to pioneering national institutions,
the Tata Group remains committed to improving the lives of communities
we serve globally, based on leadership with trust.

Picture (left to right): The four partners - Jamsetji Tata, Founder of the Tata Group; R. D. Tata, father of J. R. D. Tata; Sir Ratan Tata, younger son of the Founder; and Sir Dorabji Tata, elder son of the Founder.

tata150.com

TATA ELXSI

Registered & Corporate Office

Tata Elxsi Limited
ITPB Road Whitefield Bangalore 560 048
India

(CIN-L85110KA1989PLC009968)

Tel: +91 80 2297 9123
Fax: +91 80 2841 1474
Email: investors@tataelxsi.com

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