June 01, 2021

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

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

Dear Sirs,

Sub: Notice to the 32nd Annual General Meeting ("AGM") and Annual Report for the financial year 2020-21.

The 32nd AGM of Tata Elxsi Limited will be held on Friday, June 25, 2021 through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) at 2.30 p.m, in accordance, with the relevant circulars issued by Ministry of Corporate Affairs and Securities and Exchange Board of India (SEBI).

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations"), please find enclosed the Notice to the 32nd AGM along with the Annual Report of the Company for the financial year 2020-21, which is being sent by email to those Members whose email addresses are registered with the Company/ TSR Darashaw Consultants Private Limited / Depository Participant(s).

The Annual Report containing the Notice is also uploaded on the Company's website www.tataelxsi.com/Annual-Report-2020-21

Thanking you.

Yours truly,

For Tata Elxsi Limited

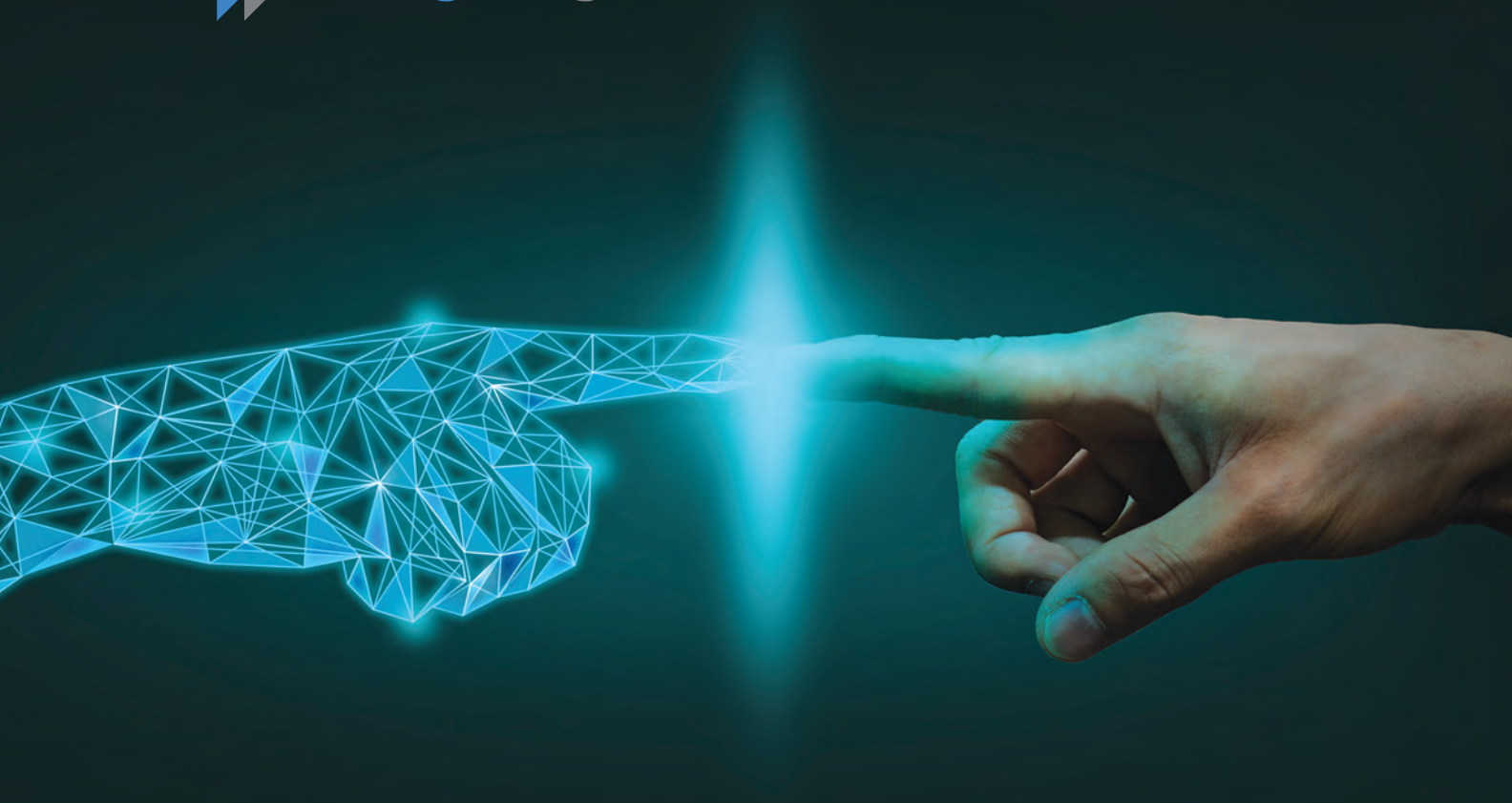
G. Vaidyanathan

General Counsel and Company Secretary

engineering creativity

TATA

Design Digital



TATA ELXSI

ANNUAL REPORT 2020 - 21

FINANCIAL
HIGHLIGHTS

Operating Revenue

1826.2
₹ Crores



Profit After Tax

368.1
₹ Crores



Earnings Per Share

59.11
₹/ Share



Book Value

217.1
₹/ Share



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MESSAGE FROM THE **CHAIRMAN**



Dear Shareholder,

I hope you and your family are safe and healthy in these difficult times.

Your Company generated operating revenues of Rs. 1826.2 Cr in FY21, registering a healthy growth of 13.4% YoY over FY20. The Profit before tax was Rs. 511.9 Cr for the year, a growth of 45.3% YoY, crossing the 500 Cr mark for the first time in the Company's history. Your Company's Net Profit for the year stood at Rs. 368.1 Cr, reporting a growth of 43.7% YoY.

In the coming year, the continued impact of the Covid-19 pandemic, stagnant economic performance, foreign exchange rate fluctuations, and a downturn in some sectors would all pose challenges to economic growth.

We expect that advanced economies will recover faster, supported by fiscal stimulus and vaccination mechanisms. Industries have seen varied impact for continuity of operations, supply chains and consumer demand.

Your Company has spent the last few years building relevant capabilities and strategies in industry verticals with low overlap, such as Transportation, Media, Broadcast and Communications, and Healthcare.

Your Company's customer base is diversified in terms of both geographies we operate in, and currencies we bill in. This mitigates risks arising from geopolitical and currency volatility to a certain degree.

During the past year, amidst travel restrictions and lockdowns instituted by various governments across geographies, your Company ensured safety and wellbeing of all its employees, and also facilitated a seamless transition for employees to work from home, supported with processes and tools for remote working, communication, and collaboration.

This strategic diversification, seamless continuity of delivery and operations, and investments in improving offerings, sales, and marketing, enabled the Company to increase operating revenue by 13.4% in a year where the global economy was contracting.

In the Zinnov Zones 2020 Report, your Company was ranked in the 'Leadership Zone' in the Automotive and Media & Communications industries. Your Company was also recognised as an emerging niche leader in innovative technologies like Digital Engineering, Artificial Intelligence and the Internet of Things.

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

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

We recognize the difficult period that the entire economy has witnessed in the past few quarters and the predominance of individual retail investors in our investor base.

I am pleased to inform you that your Board of Directors has approved a final dividend of 240% for the year 2020-21, along with a one-time special dividend of 240% for your consideration.

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

N G Subramaniam

BOARD OF DIRECTORS

as on April 22, 2021



Mr. N G SUBRAMANIAM
Chairman (Non-Independent and Non-Executive)



Mrs. SHYAMALA GOPINATH
Independent Non-Executive Director



Mr. SUDHAKAR RAO
Independent Non-Executive Director



Prof. ANURAG KUMAR
Independent Non-Executive Director



Mr. ANKUR VERMA
Non-Independent and Non-Executive



Mr. MANOJ RAGHAVAN
CEO & Managing Director

COMMITTEES

Audit

Mrs. S Gopinath
Chairperson

Mr. Sudhakar Rao

Mr. Ankur Verma

Stakeholders' Relationship

Mr. Sudhakar Rao
Chairman

Prof. Anurag Kumar

Mr. Manoj Raghavan

Corporate Social Responsibility

Mr. Sudhakar Rao
Chairman

Mrs. S Gopinath

Mr. Manoj Raghavan

Nomination & Remuneration

Mrs. S Gopinath
Chairperson

Mr. N G Subramaniam

Mr. Sudhakar Rao

Risk Management

Prof. Anurag Kumar
Chairman

Mr. N G Subramaniam

Mr. H V Muralidharan

Chief Financial Officer

Mr. H V Muralidharan

Company Secretary

Mr. G Vaidyanathan

Auditors

BSR & Co. LLP
Chartered Accountants

Registered & Corporate Office

Tata Elxsi Limited

ITPB Road Whitefield
Bengaluru - 560 048
India

Email: investors@tataelxsi.com

Registrars & Share Transfer Agents

TSR Darashaw Consultants Pvt. Ltd

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

Design Digital

Digital technologies like Mobility, Internet of Things, Artificial Intelligence, and Cloud-based applications are being integrated into consumer contexts, services, and products.

These technologies are creating huge opportunities to drive operational efficiency, reduce costs, deliver new services to consumers, and generate new revenue sources for our customers. However, these technologies also drive an exponential increase in the technological complexity required to develop new products and services.

Tata Elxsi's Design Digital brings together a global and diverse team of strategic thinkers, consumer insights experts, award-winning designers, technologists, and digital experts.

Our network of Design Studios, Innovation Hubs, and Centers of Excellence for Digital technologies, help enterprises re-imagine their products and services - from strategy, insights, service design, interaction design to technology implementation and integration.



INDUSTRIAL DESIGN AND VISUALIZATION



HIGHLIGHTS

- **Selected by DishTV to develop 'Orbit,' the new user interface for both its brands Dish TV & D2H, enabling subscribers with a seamless TV and online viewing experience**



Sunfeast Mom's Magic - Accentuating the biscuit design to communicate its goodness and richness

Tata Elxsi is a fully integrated global design consultancy, creating innovative products, services, and experiences to build brands and help businesses grow. We have a multi-disciplinary and award-winning team of design researchers, strategists, product and UX/UI designers, technologists, and engineers.

Our services span across consumer research and insights, strategy and innovation, product, and experience design to the development and delivery of interactive and immersive experiences. Tata Elxsi's design teams help clients launch new ideas and award-winning products and services, helping brands differentiate and win in the marketplace.

HEALTHCARE



Tata Elxsi supports global medtech, digital health, pharmaceuticals, and biotech businesses conceptualize, launch, and sustain products in one of the most regulated industries in the world.

Our ISO 13485 certified global delivery centers and engineering network ensure that our customers can leverage our people, process, and infrastructure to achieve their business goals in the competitive and evolving market.

HIGHLIGHTS

- **Selected by Aesculap AG, a B. Braun company and one of the world's leading manufacturers of medical devices, as its global engineering services partner**
- **Rolled out an industry-first outcome-based risk assurance business model for large regulatory transition programs for existing and new customers**

MEDIA, BROADCAST AND COMMUNICATIONS

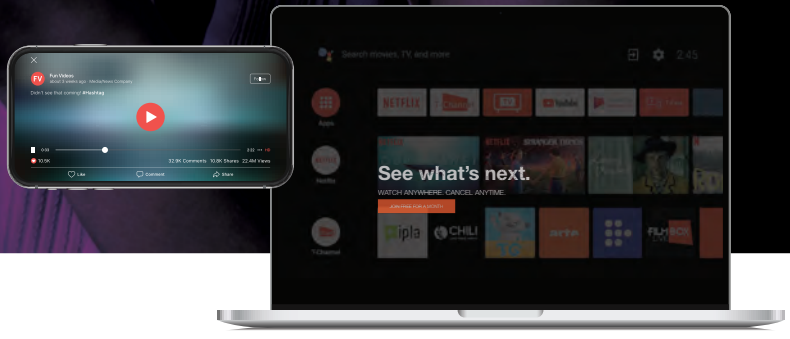
Tata Elxsi addresses the entire product development lifecycle for Media, Broadcast, Communications, and Consumer Electronics, from R&D to new product development, testing, and maintenance engineering.

We partner with leading broadcasters and operators to build connected services and deliver superior customer experience.

We also support leading telecom operators in their digital and network transformation efforts, helping with integration, process automation, and new service rollout.

HIGHLIGHTS

- Positioned in the Leadership Zone in Communications - Zinnov Zones 2020 Report
- Google Widevine has chosen us as a 3PL certification partner to offer safe premium content protection for Broadcast, Media, Consumer Electronics, and Automotive applications



TRANSPORTATION



Tata Elxsi offers engineering services and solutions for connected, autonomous, and electric vehicles to help customers achieve their vision for future mobility.

This encompasses the entire product development lifecycle, including product and design engineering, testing and validation, and vehicle program management.

We are the preferred partner for leading OEMs and suppliers to develop electronics and software for powertrain, infotainment, connectivity, active safety, and comfort.

We are investing in building capabilities in the rail industry, working with leading operators, metro and rail authorities, rolling stock and systems suppliers to deliver design and technology services that enhance safety, convenience, quality, and overall customer experience, while accelerating product and service development and deployment.

HIGHLIGHTS

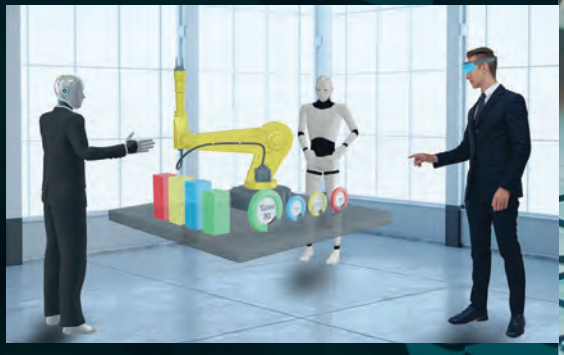
- **Positioned in the Leadership Zone in the Automotive sector - Zinnov Zones 2020 Report**
- **Launched a Global Engineering Center (GEC) focussed on innovation and drive digital transformation and growth for Schaeffler group**



SYSTEMS INTEGRATION

Tata Elxsi implements and integrates complete systems and solutions for specialized applications such as Experience Centers, Training and Safety, and Design Visualisation across industries such as automotive, aerospace, entertainment, manufacturing, government, and education.

Professional services for Cloud and Infrastructure Management, Virtual Reality (VR), 3D Printing, and Robotics continue to strengthen our solution portfolio to meet evolving technology needs of our customers.



NOTICE

Notice is hereby given that the **Thirty Second Annual General Meeting** of TATA ELXSI LIMITED will be held on **Friday, June 25, 2021 at 2:30 pm.**, through Video Conferencing (VC) or Other Audio Visual Means (OAVM) to transact the following businesses:

Ordinary Business

1. To consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2021, together with the Reports of the Board of Directors and the Auditors thereon.

2. To declare dividend on equity shares for the financial year 2020-21.

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

Special Business

4. **Appointment of Prof. Anurag Kumar (DIN : 03403112) as an Independent Director**

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

   "RESOLVED THAT Prof. Anurag Kumar (DIN : 03403112) who was appointed by the Board of Directors on the recommendation of the Nomination and Remuneration Committee as an Additional Director (Independent, Non-Executive) of the Company with effect from November 15, 2020 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ("Act") and Article 151 of the Articles of Association of the Company who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature to the office of Directorship of the Company, be and is hereby appointed as an Independent Director of the Company."

   "RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, Prof. Anurag Kumar who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing from November 15, 2020 upto November 14, 2025, be and is hereby approved."

5. **Re-appointment of Mr. Sudhakar Rao (DIN : 00267211) as an Independent Director**

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

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and pursuant to the recommendation of the Nomination and Remuneration Committee and as approved by the Board of Directors, Mr. Sudhakar Rao (DIN: 00267211) who was appointed as an Independent Director of the Company and who holds office upto July 31, 2021 and is eligible for re-appointment for the second term as an Independent Director, and has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature to the office of Directorship of the Company, be and is hereby re-appointed as an Independent Director of the Company to hold office for the second term commencing from August 01, 2021 upto September 02, 2024 (3 years, 1 month and 2 days period) and whose office shall not be liable to retire by rotation."

6. **Payment of Commission to Non-Executive Directors of the Company**

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

   "RESOLVED THAT pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), as amended from time to time, a sum not exceeding one percent per annum of the net profits of the Company calculated in accordance with the provisions of Section 198 and other applicable

provisions, if any, of the Act, be paid to and distributed amongst the Directors of the Company or some or any of them (other than the Managing Director and/or Whole-time Directors) in such amounts or proportions and in such manner and in all respects as may be directed by the Board of Directors of the Company on the recommendation of the Nomination & Remuneration Committee (NRC) in terms of the Remuneration Policy of the Company and that such payments shall be made in respect of the profits of the Company for each of the financial years, commencing April 1, 2021."

7. Approval for Related Party Transactions

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

"RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 ("Act") and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the Company's policy on Related Party transaction(s), approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s), including any modifications, alterations or amendments thereto, with Jaquar Land Rover Limited, a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for providing Automative Design & Engineering support, on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of ₹ 250 Crores per year, for each of the financial years 2021-22 and 2022-23, provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors and/or Managing Director of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution."

Bengaluru, April 22, 2021 **By Order of the Board**

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

G. Vaidyanathan
Company Secretary

NOTES:

1. In view of the current extraordinary circumstances caused by the COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" read with General Circular No. 14/ 2020 dated April 8, 2020 , the General Circular No. 17/ 2020 dated April 13, 2020, No. 33/2020 dated September 28, 2020 and General Circular No. 39/2020 dated December 31, 2020 and General Circular No.02/2021 dated January 13, 2021 (collectively referred to as "MCA Circulars") permitted the Companies to hold their Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the current AGM of the Company is being held through VC / OAVM. The deemed venue for the 32nd AGM will be the registered office of the Company.
2. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), in respect of Directors seeking appointment/re-appointment at this Annual General Meeting ("AGM") is annexed.
3. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
4. The Members can join the AGM in the VC/OAVM mode thirty minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available on first come first served basis.
5. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. Members desirous of seeking information in respect of Accounts of the Company are requested to send their queries to telagm@tataelxsi.com on or before June 18, 2021.
7. In case of joint holders, the Member whose name appears as the first holder in the order of names as per

the Register of Members of the Company will be entitled to vote at the AGM through e-voting.

8. Register of Members and Transfer Books of the Company will remain closed from June 19, 2021 to June 25, 2021 (both dates inclusive) for the purpose of determining the shareholders entitled to the Dividend as recommended by the Board of Directors for the year ended March 31, 2021.

9. If the dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend will be made as under:

   i. To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on **June 18, 2021**.

   ii. To all Members in respect of shares held in physical form after giving effect to valid transmission or transposition requests lodged with the Company as of the close of business hours on **June 18, 2021**.

10. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrar and Transfer Agent TSR Darashaw Consultants Private Limited (TCPL) for assistance in this regard.

11. 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 their PAN to the Depository Participant with whom they are maintaining their demat account. Members holding shares in physical form can submit their PAN details to the Registrar and Transfer Agent – TSR Darashaw Consultants Private Limited.

12. As per the provisions of Section 72 of the Companies Act, 2013 (the "Act") the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website www.tataelxsi.com (under 'Investors' section). Members are requested to submit the said details to their Depository Participants ("DPs") in case the shares are held by them in electronic form and to TSR Darashaw Consultants Private Limited, in case the shares are held by them in physical form.

13. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to the Company's Registrars and Transfer Agents, TSR Darashaw Consultants Private Limited for shares held in physical form, with relevant documents that may be required.

14. In view of the COVID-19 pandemic and resultant difficulties involved in dispatch of physical copies of the Annual Report, the MCA, vide its Circular dated May 5, 2020 has dispensed with the requirement of dispatch of physical copies of the Annual Report. Accordingly, the Notice of the AGM along with the Annual Report 2020-21 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website www.tataelxsi.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of NSDL https://www.evoting.nsdl.com. For any communication, the shareholders may also send requests to the Company's dedicated investor email-id: investors@tataelxsi.com

15. Members who have not claimed/received their dividend paid by the Company in respect of earlier years, are requested to write to the Company's Registrar and Transfer Agent, TSR Darashaw Consultants Private Limited. Members are requested to note that in terms of Section 125 of the Companies Act, 2013 any dividend unpaid / unclaimed for a period of 7 years from the date these first became due for payment, is to be transferred to the Central Government to the credit of the Investor Education & Protection Fund (IEPF). The details of the unclaimed dividends and the underlying shares that are liable to be transferred to IEPF are also available at the Company's website – www.tataelxsi.com/IEPF. In view of this, members/claimants are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/ shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority, in Form No. IEPF-5 available on www.iepf.gov.in

16. Members at the 28th AGM of the Company, held on July 27, 2017 had approved the appointment of M/s BSR & Co. LLP (Firm Regn. No. 101248W/W100022) as statutory auditors of the Company, to hold office for a period of five years, subject to ratification of shareholders, from the conclusion of the 28th AGM till the conclusion of the 33rd AGM.

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

17. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ TSR Darashaw Consultants Private Limited (in case of shares held in physical mode) and Depositories (in case of shares held in demat mode).

18. A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source, by email to csg-exemptforms2122@tcplindia.co.in by 06.00 PM (IST), **June 11, 2021**. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

    Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to nriexemptforms@tataelxsi.com. The aforesaid declarations and documents need to be submitted by the shareholders by 06.00 PM (IST), June 11, 2021. For detailed instructions and formats of the Forms and documents to be submitted, please visit www.tataelxsi.com/investors/corporate-announcements.

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 remote e-voting period begins on June 21, 2021 at 9:00 A.M. and ends on June 24, 2021 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.**

III. The Company has appointed Mr. V Madan, Practicing Company Secretary (CP 21778) as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting at the meeting and remote e-voting process, in a fair and transparent manner.

IV. The facility for e-voting, shall also be made available during the AGM and Members attending the AGM through VC/OAVM, who have not already cast their vote by remote e-voting, may exercise their right to vote during the AGM through the NSDL portal.

V. The members who have cast their vote by remote e-voting prior to the AGM can also participate through VC / OAVM, but shall not be entitled to cast their vote through e-voting again.

VI. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

VII. The remote e-voting period commences on June 21, 2021 (9:00 am) and ends on June 24, 2021 (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 **June 18, 2021**, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently or cast the vote again.

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

Step 1: Access to NSDL e-Voting system

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

Pursuant to SEBI circular no. SEBI/HO/ CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process.

Shareholders are advised to update their mobile number and e-mail ID with their DPs in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. If you are already registered for **NSDL IDeAS facility**, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the **"Beneficial Owner"** icon under "Login" which is available under **"IDeAS"** section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or **e-Voting service provider - NSDL** and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS"** Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or **e-Voting service provider - NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL**. Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or **e-Voting service provider-NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

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

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

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

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

   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

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

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

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

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

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

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

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

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

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

Other Instructions

1. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of voting, either through remote e-voting or voting at the AGM through electronic voting system or poll paper.

2. Any person, who acquires shares of the Company and becomes a Member of the Company after mailing of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

3. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the Meeting, thereafter, unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

4. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.tataelxsi.com and on the website of NSDL www.evoting.nsdl.com. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

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

i. Shareholders may register their e-mail address or PAN , if not registered with the Depositories (for shares held in electronic form) / Company (for shares held in physical form), on or before 5:00 p.m. (IST) on Tuesday June 15, 2021 , to receive the Notice to the AGM along with Annual Report 20-21, by completing the process as under:
   a. Visit the link https://tcpl.linkintime.co.in/EmailReg/Email_Register.html
   b. Select "Tata Elxsi Limited" from the dropdown
   c. Enter details in respective fields such as DP ID and Client ID (if shares held in electronic form) / Folio no. and Certificate no. (if shares held in physical form), Shareholder name, PAN, mobile no. and e-mail id.
   d. System will send OTP on mobile no. and e-mail id.
   e. Enter OTP received on mobile no. and e-mail id.

   It may be noted that the above registration is for the purpose of receiving communication related to the AGM only. Members are requested to liaise with TSR Darashaw Consultants Private Limited or their respective Depository Participants for updation of details.

ii. For updation of Bank details for shares held in physical form, please send a request to the Registrar and Share Transfer Agent of the Company at csg-unit@tcplindia.co.in along with the Folio No, Name of the shareholder, scanned copy of the certificate (front and back), self-attested copy of the PAN card and Aadhar along with the following details:
   a) Name and Branch of the Bank in which you wish to receive the dividend,
   b) the Bank Account type,
   c) Bank Account Number allotted by their banks after implementation of Core Banking Solutions
   d) 9 digit MICR Code Number, and
   e) 11 digit IFSC Code
   f) a scanned copy of the cancelled cheque bearing the name of the first shareholder

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

INSTRUCTIONS FOR MEMBERS ATTENDING THE AGM THROUGH VC / OAVM :

1. Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM provided by NSDL at https://www.evoting.nsdl.com by using their remote e-voting login credentials and selecting the EVEN 116039 for Company's AGM.

   Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.

2. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.

3. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in, 1800-222-990 or Ms. Sarita Mote at saritam@nsdl.co.in / + 91 22 24994890 or write to the Company at telagm@tataelxsi.com

4. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at telagm@tataelxsi.com **between June 16, 2021 and June 21, 2021**. The facility to express views/ask questions during the AGM shall be restricted only to those members who have pre-registered themselves as a speaker. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

Bengaluru, April 22, 2021 **By Order of the Board**

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

G. Vaidyanathan
Company Secretary

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

The following Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, sets out all material facts relating to the business mentioned at Item Nos. 4,5,6 and 7 of the accompanying Notice:

Item No. 4

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, appointed Prof. Anurag Kumar as an Additional Director (Non Executive, Independent) of the Company with effect from November 15, 2020. In terms of Section 161 (1) of the Companies Act, 2013, Prof. Anurag Kumar holds office up to the date of this Annual General Meeting.

Pursuant to the provisions of Section 149 read with Schedule IV of the Companies Act, 2013, Prof. Anurag Kumar has given necessary declaration to the Board that he meets the criteria for independence as provided u/s. 149(6) of the Act. The Board is of the opinion that Prof. Kumar fulfills the conditions specified in the Act and the Rules framed thereunder, for appointment as Independent Director and that he is independent of the management. The appointment of Prof. Kumar is now being placed before the Members for their approval. The Company has, in terms of Section 160(1) of the Act received in writing a notice from a Member, proposing his candidature to the office of the directorship of the Company.

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

He has consulted for government and private organisations, and has mentored a networking start-up from its early years to a global footprint. He has led the authorship of two major books that have been used around the world. He was the 1977 President's Gold Medallist in IIT Kanpur. He has been elected Fellow of the IEEE, the Indian National Science Academy (INSA), the Indian National Academy of Engineering (INAE), the Indian Academy of Science (IASc), and The World Academy of Sciences (TWAS). He received the 2015 Vasvik Award for Information Technology, and the 2017 IEI-IEEE Award for Engineering Excellence. He is a recipient of the J.C. Bose National Fellowship, awarded by the Department of Science Technology, for the period 2011-2021.

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

Further details of Prof. Kumar have been provided in the Annexure to this Notice.

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

Item No. 5

The Members of the Company at the 28th Annual General Meeting held on July 27, 2017 had approved the appointment of Mr. Sudhakar Rao as an Independent Director of the Company from August 01, 2016 for a term of 5 years up to July 31, 2021. The tenure of Mr. Sudhakar Rao as an Independent Director expires on July 31, 2021.

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on April 22, 2021 had approved the re-appointment of Mr. Sudhakar Rao as an Independent Director of the Company for a second term commencing from August 01, 2021 upto September 02, 2024 (3 years, 1 month and 2 days period), in terms of Section 149 read with Schedule IV of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, or any amendment thereto or modification thereof.

The Company has, in terms of Section 160(1) of the Act received in writing a notice from a Member, proposing his candidature for the office of Director.

Mr. Sudhakar Rao is a retired Indian Administrative Service (IAS) officer belonging to the 1973 batch. He held various assignments including Chairman & Managing Director of the Karnataka Urban Infrastructure Development and Finance Corporation (KUIDFC); Principal Secretary - Finance; Principal Secretary - Home; Principal Secretary to the Chief Minister of Karnataka; Development Commissioner and acted as the Chief Secretary of Karnataka until retirement from government service on 30th September 2009. Mr. Rao was conferred the Kannada Rajyotsava Award under Public Service category by the Government of Karnataka on November 1, 2010.

Mr. Rao holds a Master's Degree in Economics from the Delhi School of Economics and a Master's Degree in Public Administration from the Kennedy School of Government, Harvard University. Mr. Rao acts as the Independent Director for various listed companies.

Further details of Mr. Rao have been provided in the Annexure to this Notice.

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

None of the Directors, KMP and / or their relatives, except Mr. Sudhakar Rao and his relatives are concerned or interested in the resolution set forth in Item No. 5 of the Notice.

Item No. 6

In view of the valuable services being rendered by the Directors to the Company and the increased responsibilities they are required to shoulder, the members had at the Twenty-seventh Annual General Meeting held on 26th July, 2016, approved payment of commission not exceeding 1% per annum of the net profits of the Company to the Non-Executive Directors of the Company for a period of five years commencing from 1st April 2016, to be distributed amongst some or all of the Directors in accordance with the directions given by the Board on the recommendation of the Nomination and Remuneration Committee.

Consequent to the expiry of the said period of five years on 31st March 2021, it is proposed to extend payment of such commission for the period commencing from 1st April 2021.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMPs except Non-Executive Directors, who are in receipt of commission and their relatives are concerned or interested in the proposed business at Item No.6 of the notice.

Item No. 7

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

Accordingly, transaction(s) entered into with Jaquar Land Rover Limited ("JLR") comes within the purview of Related Party transaction(s) in terms of provisions of the Act, applicable Rules framed thereunder read with the Listing Regulations, post the Company becoming the subsidiary of Tata Sons Private Limited.

The value of proposed aggregate transactions with Jaquar Land Rover Limited is likely to exceed the said threshold limit and is expected to be around ₹ 250.00 Crores per year during the financial years 2021-22 and 2022-23.

Hence, approval of the shareholders is being sought for the said Related Party Transaction(s) proposed to be entered into by the Company with JLR in the financial years 2021-22 and 2022-23.

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, particulars of the transactions with Jaquar Land Rover Limited are as follows:

Name of the related party	**Jaquar Land Rover Limited**
Name of the director or key managerial personnel who is related, if any	None
Nature of relationship	By virtue of Jaquar Land Rover Limited being a subsidiary of Tata Motors Limited, which is an associate of the promoter - Tata Sons Private Limited, Tata Elxsi Limited and JLR are Related Party.
Nature, material terms, monetary value and particulars of the contract or arrangements	Contract / agreement to provide design, technology and engineering services, including advanced R&D. Proposed contract value for FY 2021-22 & 2022-23 : ₹ 250 Crores per year
Any other information relevant or important for the members to take a decision on the proposed resolution	The Members of the Company had approved the amendment to the Articles of Association of Company, through special resolution vide postal ballot effective December 01, 2020, wherein Tata Sons Private Limited shall have the right to nominate 1/3rd of the total number of Directors (including the Chairman) on the Board. Consequently, considering the requirement of Ind AS-110, Consolidated Financial Statements, the Company has become a subsidiary of Tata Sons Private Limited with effect from December 01, 2020 and accordingly Jaquar Land Rover Limited (subsidiary of Tata Motors Limited) shall be treated as a related party. Tata Elxsi ("TE") has been engaged with JLR prior to the acquisition of the company by Tata group. JLR is one of the oldest customer of Tata Elxsi's Automotive Division. TE act as R & D Centre for their various new vehicle programs and provide niche product design expertise and engineering services in the areas of mechanical, electronics and software development and complete vehicle program management. The transactions under consideration, to be entered into by the Company with JLR for the above periods is in the ordinary course of business and at arms length basis.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends passing of the resolution as set out at item no. 7 of this Notice as an Ordinary Resolution.

ANNEXURE

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

Particulars	Mr. N. G. Subramaniam	Mr. Sudhakar Rao	Prof. Anurag Kumar
Date of Birth	May 20, 1959	September 03, 1949	July 13, 1955
Date of appointment	November 01, 2014	August 01, 2016	November 15, 2020
Qualifications	M.Sc (Mathematics)	M.A Economics, Delhi School of Economics; M.A (Public Administration), Kennedy School of Government, Harvard University	B.Tech. Electrical Engineering, IIT Kanpur Ph.D - Cornell University
Expertise in specific functional areas	IT Industry and General Management	General Management and Administration	IT Industry and General Management
Directorships held in other public companies (excluding foreign companies and Section 8 companies)	Tata Consultancy Services Limited	1. Healthcare Global Enterprises Limited 2. L&T Infrastructure Development Projects Limited 3. IFFCO-TOKIO General Insurance Company Limited	Nil
Memberships/ Chairmanships of committees of other public companies (Audit Committee and Stakeholders' Relationship Committee considered)	Nil	**Audit Committee [Chairman]** 1. IFFCO-TOKIO General Insurance Company Limited 2. L&T Infrastructure Development Projects Limited 3. Healthcare Global Enterprises Limited	Nil
Number of shares held in the Company as on March 31, 2021	Nil	Nil	Nil

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

DIRECTORS' REPORT TO THE MEMBERS

1. Your Directors are pleased to present the Thirty Second Annual Report on the business and operations of the Company along with the Audited Statements of Accounts for the financial year ended March 31, 2021.

2. Result of Operations - Extract

₹ In Crores

	2020-21	2019-20
Revenue from operations	1,826	1,610
Other income (Net)	40	58
Total Income	**1,866**	1,668
Profit before financial expenses, depreciation	562	401
Less: Financial expenses	6	6
Depreciation/ Amortization	44	43
Profit before tax	**512**	352
Tax expenses	144	96
Profit after tax for the year	**368**	256
Other Comprehensive income	-3	-4
Net Profit for the year	**365**	252
Add: Profit brought forward	942	804
Transition impact of Ind As 116	-	3
Less: Dividend and Dividend Tax*	103	101
Transfer to General Reserve	10	10
Balance Profit carried to Balance Sheet	**1,194**	942

*Pertains to previous years

3. Dividend

Your Directors recommend for your approval, final dividend of 240 % (₹ 24 per share), subject to tax, and a one-time special dividend of 240% (₹ 24 per share) subject to tax, for the year ended March 31, 2021 on 6,22,76,440 equity shares of ₹ 10/- each fully paid-up, aggregating to 480% (₹ 48 per share), compared to 165% (₹ 16.50/- per share) on 6,22,76,440 equity shares of ₹ 10/- each fully paid-up in the previous year.

This will involve an outgo of ₹ 298.93 crores, compared to ₹ 102.76 crores, in the previous year.

The Company's Dividend Distribution Policy (DDP) is available in the Investors section of the company website: www.tataelxsi.com/DividendDistributionPolicy

4. Reserves

Your Directors have approved a transfer of ₹ 10 Crores to the General Reserves for the year ended March 31, 2021, as against an amount of ₹ 10 crores transferred in the previous year.

5. Review of Operations

The total income during the year under review increased by 12.0% from ₹ 1668 crores in the previous year to ₹ 1866 crores.

The Profit Before Tax (PBT) was ₹ 512 crores against ₹ 352 crores in the previous year. The Profit After Tax (PAT) was ₹ 365 crores against ₹ 252 crores in the previous year.

During the year under review, despite the unprecedented situation where the entire world was engulfed with the pandemic, your Company and its employees immediately adapted to the new normal and continued seamless - customer commitments and promises to its customers.

6. Management Discussion and Analysis

Industry Outlook

The year 2020 was disrupted by pandemic-related sharp declines in growth across industries. When the global economy shrank by 3.3% YoY in 2020 (IMF), India's IT & ITeS sector shone brightly, growing by 2.3% YoY (Nasscom) thanks to faster digital technology adoption. According to Nasscom's Strategic Review 2021, India's technology sector contributed 8% of national GDP and 52% of services exports.

The rate of digital technology adoption has increased across industries, resulting in rapid revenue growth for technology service providers. Enterprises are diverting their CAPEX budgets to technology and prioritizing digitization in the face of a pandemic. According to Nasscom's CEO survey, 70% of businesses expect increased investment in global technology in 2021. With

increased hyper-digitization and technology adoption across industries, growth verticals such as healthcare, pharma, medical devices, software & internet, and consumer electronics are expected to accelerate in 2021.

In 2021, depressed economic activity and wages, increasing interest rates and geopolitical tension, foreign exchange rate volatility, and a downturn in some industries such as cars, travel, and tourism would all pose challenges to development. However, due to advanced economies' resilience against recession and a better-than-expected recovery in emerging markets, a faster vaccination, central bank monetary support, and fiscal stimulus across major economies have significantly reduced the magnitude of the economic downturn than previously predicted. We expect this growth to intensify in the coming months, resulting in global economic normalization.

According to Zinnov, the global ER&D was USD 1.4 Trillion and is expected to grown by a CAGR of 11% to 1.9 Trillion by 2023.

While Manufacturing verticals such as Aerospace, Automotive, and Industrial bore the brunt of the pandemic and witnessed a change in ER&D priorities, 5G, Digital Thread, and Sustainable engineering are the key pillars that will drive digital engineering spend going forward.

The rapid adoption of intelligent, connected and smart initiatives such as Tele X, intelligent workplaces, contactless commerce, leveraging new age technologies such as Artificial intelligence, AR/VR, IoT is set to further fuel ER&D spend across verticals and make enterprises anti-fragile.

Covid-19 triggered significant disturbances in the **automotive industry** as well. Lockdowns resulted in a substantial drop in car sales in the first half of FY21. The selling of LV/passenger cars has declined sharply in developed/larger economies such as the United States, the United Kingdom, and China and major EU economies such as Germany, France, Italy, Spain, and others. The second half of FY21 saw a modest rebound, but the total car and SUV sales fell by 16% to 76.5 million in 2020.

As per Moody's stable outlook, auto demand is likely to improve in 2021, but at a slower pace, which is expected to continue next year with mid-to-high single-digit sales growth in 2022. China, the world's largest market, witnessed 10% contraction in auto sales in 2020, and the other geographies also witnessed similar dip. However, demand began to return to normal levels in H2 2020 and it is expected to see 2.5% YoY growth in auto unit sales in 2021.

One of the few sectors that was positively affected by the pandemic was the **Media and Communications** sector. With a surge in data & telecom services due to global lockdowns, the Media & Communications sector is expected to grow by a CAGR of 4% between 2020-2023. Furthermore, investments are expected to increase in OTT, 5G, SDN/NFV and AI. The pandemic acted as a trigger, accelerating several developments that were already in motion. With movie theatres closing, OTT (direct-to-consumer through streaming platforms) saw a healthy increase in streaming content consumption, subscription services, and ad-supported models. With the increased adoption of remote working teams and the availability of successful digital collaborative tools, demand for services such as in-home access, home broadband, and over-the-top (OTT) services is increasing. Consumer and enterprise adoption of innovative wireless technology like 5G has increased due to the COVID-19 pandemic, as has customers' desire to try new content options.

According to numerous research and industry data, pandemic-driven lockdowns and social distancing recommendations have profoundly rooted digital technologies in consumers' attitudes and day-to-day lives. Consumers are collaborating with colleagues, staying in touch with friends and family, and consulting with physicians digitally. They make unprecedented use of mobile banking and contactless payment apps.

COVID has served as an inflection point for digital transformation across the healthcare ecosystem. Transforming the patient experience value chain is top priority for providers. The uberization of patient care is the biggest COVID led disruption.

Healthcare payers are accelerating digital investments to automate the trifecta of sales, operations, and services. Medical devices firms are unlikely to witness a significant change in their R&D roadmaps; their focus on connected devices will receive an impetus. The global health spending is expected to rise at a 3.9% CAGR during 2020-2024, led by Asia and Australia (5.3%) and the economies of Central and Eastern Europe (5.2%).

A new trend has emerged during this pandemic phase: creating digitally enabled, on-demand, and seamlessly connected consumer experiences that drive doctor-patient interactions. Consumers are increasingly turning to technology to track their well-being, track their fitness, and order medicines. Consumers are more comfortable than ever before to use virtual visits with doctors and adopt tools for consultation, and this trend is expected plan to continue even post Covid. Consumers' attention has turned to disease prevention by fostering healthier habits, vitality, well-being, and early detection.

Cloud computing, artificial intelligence, and virtual care delivery systems are becoming increasingly important in the digital transformation of healthcare around the world. Because of its ability to process and distribute data effectively and collaboratively, cloud computing technology will help health systems develop their IT infrastructure and lower costs. AI employs algorithms and machine learning (ML) to analyze and interpret data, provide customized interactions, and automate routine and costly healthcare operations.

Business Analysis

Your Company reported operating revenues of 1826.2 crores in FY 2021, an increase of 13.4% year on year. This growth was mostly volume-led with constant currency growth of 8% YoY. Our operating profit (EBITDA) was 522.4 crores, up 52.3% year on year, with EBITDA margins of 28.6%, up 730 bps. Profit before tax was 511.9 crores, up 45.3% year on year and surpassing 500 crores for the first time in the Company's history. The Company's net profit for the year was ₹ 368.1 crore, up 43.7% year on year.

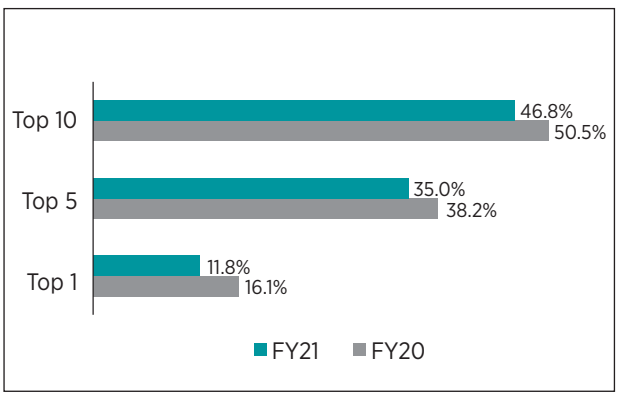
The onsite offshore revenue mix has also shifted this year, with the offshore share rising by 920 bps to 66.9%. Operating margins have also improved as a result of this.

Over the year, the Company hired a net of 785 new engineers and saw its attrition rate drop by 360 bps (6.6% for FY21).

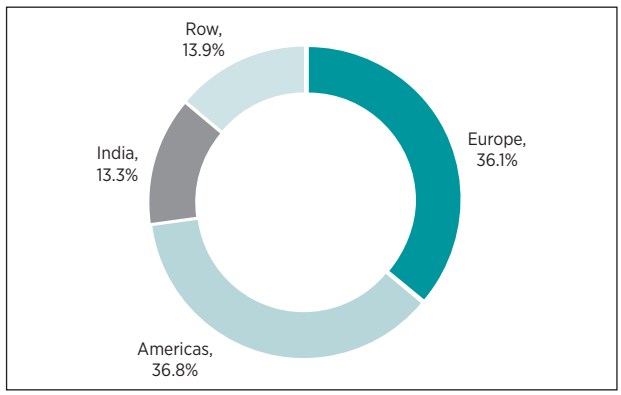
Your Company has been diligently working to reduce client concentration which is evident from FY21 results. The contribution of the top client in operating revenues has declined from 16.1% in FY 2020 to 11.8% in FY 2021. The top 5 clients and top 10 clients in operating revenues have also reduced by 320 bps and 370 bps respectively in FY2021.

Our geographical revenue contribution has also further diversified, with US contributing to 36.8%, Europe 36.1% and India 13.3%.

Client diversification- Revenue Contribution in FY21



Geographical diversification- Revenue Contribution in FY21



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

Software Development and Services

During the financial year 2021, the Software Development and Services business generated revenues of ₹ 1,781.6 crores, registering a growth of 14.1% year on year. The segment profit increased by 34.7% from ₹ 409.6 crores in the previous year to ₹ 551.8 crores in FY21.

This segment witnessed healthy growth in FY 2020-21, supported by all key segments. The transportation business has been showing a sustained recovery while the media & communications business and healthcare business are growing at a steady pace. Our efforts to diversify revenues by redeploying the available resources and capabilities into other adjacencies, i.e., off-road and rail, accelerating new customer acquisition, and diversification strategies to de-risk revenue dependency from customer/ segment/ region are yielding results.

The software development and services segment consists of two business divisions; Embedded Product Design and Industrial Design & Visualization that provide technology and design services to customers across industries.

Embedded Product Design

The Embedded Product Design (EPD) division provides technology consulting, new product design, development, and testing services for the Transportation, Media, Broadcast & Communication and Healthcare. During the year 2020-21, this division generated revenues of ₹ 1611 crores, registering a growth of 14.8% Y-o-Y.

In the latest Zinnov Zones 2020 Study, your Company was ranked in the 'Leadership Zone' across multiple sectors. Your Company's extensive and well-established ER&D services were recognized in the survey, and it was rated in the Leadership Zone in the Automotive and Media & Communications industries. With three decades

of experience in providing product design, technology development, testing, and systems integration services, Tata Elxsi has an unparalleled depth of industry expertise in each of these segments. According to the report, Tata Elxsi was also recognized as a well-established niche player in advanced technologies such as Digital Engineering, Artificial Intelligence, and the Internet of Things.

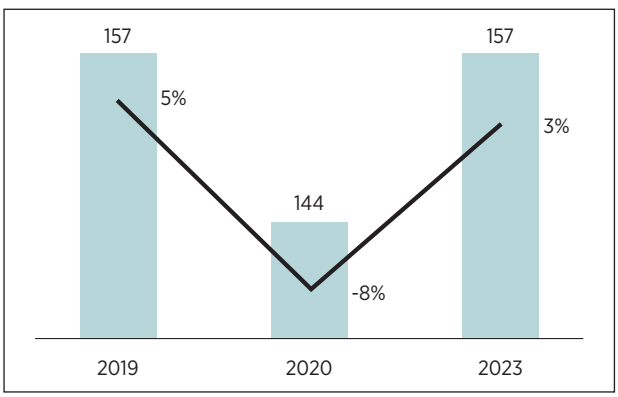
The key sectors addressed by EPD include:

Transportation

Your Company is a preferred partner for leading car manufacturers, OEMs, and suppliers to develop electronics and software for powertrain, infotainment, connectivity, active safety, and comfort. Tata Elxsi provides R&D, design, and product engineering services to leading global automotive and transportation industry players. This business segment contributed to 41.2% of EPD revenues.

Consumer demand is driving the emergence, progress, and adoption of new trends and technologies in the global transportation sector. Market preferences are transitioning to 24/7 communication in this digital age. Connected devices are now supporting telematics, infotainment, navigation services, vehicle control, ADAS (Advanced Driver Assistance Systems), and autonomous driving, among other services, in the automotive world. Digitally connected vehicles are incredible ways for brands and OEMs to understand their purchasers and their preferences better, nurture this relationship all through the possession lifecycle, and set out open doors for new income streams for themselves and the entire value chain through this association. Tata Elxsi plays at this specific intersection, taking knowledge and technology from various industries and blending it with award-winning design thinking and digital capabilities to generate value.

Global Automotive ER&D (USD-Bn)



As per the Zinnov report, global automotive ER&D spending reached US$157 bn in 2019, registering a growth of 5% y-o-y, led by investments in Digital Engineering fuelled by increasing focus on new-age technologies. Automotive OEMs and component manufacturers are growing their R&D expenditures on digital innovation initiatives to develop autonomous, ADAS, and industry 4.0 capabilities. Digital ER&D (US$ 133.5 bn) constitutes a significant part of global automotive ER&D spend.

Though the Automotive ER&D segment registered an 8% decline in spend in 2020, it is expected to reach US$ 157 bn by 2023.

During FY2020-21, your Company announced the opening of the Global Engineering Center (GEC) with Schaeffler Technologies AG & Co. KG, a world leader in providing mechatronics solutions for the Transportation industry. Tata Elxsi is the global engineering services partner for Schaeffler, and the GEC is part of a strategic multi-year engineering services engagement. This relationship strengthens your Company's automotive presence in Europe and reinforces the strategic investments as a design-led engineering solutions provider over the years.

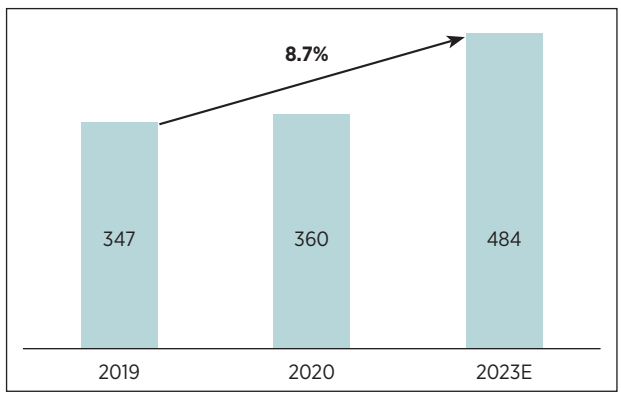
Your Company is investing in strengthening electric vehicles' development capabilities, including control software development, battery management systems, and validation. We continue to invest in developing IP in select areas, creating new monetization opportunities, and demonstrating expertise in specific areas of future growth.

Media, 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. Your Company works with leading broadcasters & operators to develop and deliver new connected services and superior customer experience. The Media, Broadcast and Communications division contributes 44.7% of EPD revenues.

As per Zinnov's report, global hi-tech-led verticals consisting of software & internet, semiconductor, and telecom are expected to reach the US $484 Billion by 2023, registering a CAGR of 14%, 2019-2023.

Global Hi-Tech led ER&D (USD-Bn)



Pandemic-led viewership and content consumption experienced in the recent past by OTT platforms and streaming has led Broadcast and Media companies to allocate more resources to connect directly with their audiences through new platforms or digital media.

Your Company offers better customer engagement through the user-centric design and AI-based video analytics for hyper-personalization for rich interaction with users. Our FalconEye solution enables a superior quality experience, thereby helping content providers increase customer loyalty, retention and extend their customer base. We help our customers adopt new strategies and agile approaches for application and content development, aggregation, and delivery.

Your Company also assists leading telecom operators in their digital and network transformation efforts, assisting with integration, process automation, and new service rollouts.

In FY 2020-21, Tata Elxsi expanded its RDK offerings by developing an end-to-end, full-stack, intuitive User Interface solution for RDK Video Accelerator set-top boxes. This solution offers faster application development cycles for operators adopting RDK for their video and broadband services.

Tata Elxsi teamed up with Syntiant Corp., a deep learning chip technology company, to assist manufacturers in designing and developing low-power always-on voice applications for various product categories, including smart home devices and consumer electronics, as well as industrial and transportation use cases.

Tata Elxsi announced an expansion of its relationship with INVIDI Technologies to bring addressable television capabilities to pay-TV operators in India, Asia-Pacific, and MEA.

Your Company was selected as a 3PL certification partner for Google Widevine to deliver secure premium content protection for Broadcast, Media, Consumer Electronics, and Automotive applications. This certification partnership further expands Tata Elxsi's offerings and leadership in the Broadcast, media, consumer devices, and transportation domains and enabling leading brands, content distributors, OTT providers, and operators with a seamless development, integration, and certification service for Widevine solutions, ensuring faster time-to-market for their revenue-generating services.

Healthcare

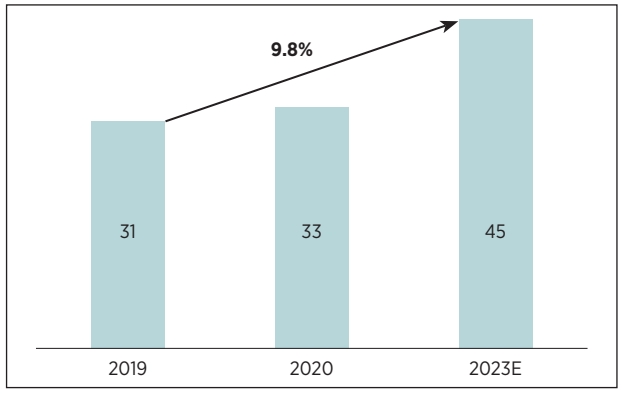
The Healthcare segment contributed 9.9% of EPD revenues and continues to be fastest-growing segment, registering a 49.4% Y-o-Y revenue growth in FY 2020-21.

With the growing demand for point-of-care devices, digital self-diagnosis devices, wearable monitoring, and alert systems. Your Company supports global medtech, digital health, pharmaceuticals, and biotech businesses conceptualize, launch, and sustain products in one of the most regulated industries in the world.

The sector's GDP share should average 10.3% in 2021 and 2022.

As per Zinnov's report, Global Healthcare (services led) ER&D is expected to reach US$ 45 Billion by 2023, registering a CAGR of 9.8%, 2019-23. The total global R&D spend in the Medical Devices industry stands at USD 48-49 Bn in 2019 (Zinnov), concentrated on top players. North America is the biggest spender, with 59% of the pie, followed by Europe at 34% and APAC, 7%.

Global Healthcare ER&D (USD-Bn)



With our deep expertise in product design and engineering space, your Company is continuously piloting design innovation in the healthcare industry. We engage with our customers to design next-generation products in critical care, patient monitoring, and drug delivery. We are working on cloud-based platforms that help consolidate and provide valuable data for analytics on the digital side. We are developing software accelerator platforms in regulatory intelligence and clinical workflow automation to improve operational efficiencies for the end-users significantly.

During the year, Tata Elxsi announced the opening of a Global Engineering Center (GEC) with Aesculap AG, a subsidiary of B.Braun, one of the world's leading manufacturers of medical devices and pharmaceutical products and services. This GEC brings together integrated competencies in R&D and innovation, digital technologies, deep domain understanding of medical devices and ever-evolving regulatory standards. This center will be essential to accelerate innovation and drive Aesculap's medical business's transformation and growth.

Industrial Design and Visualization

Tata Elxsi works with customers to develop innovative products, services, and experiences that help them establish brands and grow their businesses. We assist clients worldwide in bringing new concepts and goods to market by combining design and technology.

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

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

This business continues to deliver integrated services for customers in Transportation, Media & Communication & Healthcare sectors, enabling differentiation and added value, even as it addresses independent design projects in other sectors such as FMCG and consumer appliances.

During the year under review, this business registered a turnover of ₹ 170 crores and a growth of 9% YoY.

DishTV selected your Company to develop 'Orbit,' the new user interface (UI) for both its brands DishTV & d2h. This enables subscribers with a seamless TV and online viewing experience. The new interface will leverage artificial intelligence and machine learning to make it easier to find content on TV where users are restricted to traditional remotes. This engagement is a great example of our integrated service offering where our design and technology teams worked together to create a completely new, yet intuitive UI with robust product performance that helped create a visual identity and a branded experience for Dish TV.

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

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

System Integration and Support

Our System Integration & Support segment reported a turnover of ₹ 44.5 crores during the year under review, a decline of 5.5% Y-o-Y. The segment generated a profit of ₹ 3.7 crores during the year.

Your Company implements and integrates complete systems and solutions for specialized applications such as Experience Centers, Training and Safety, and Design Visualisation. Your Company helps customers implement complex design solutions across market segments such as Automotive, Aerospace, Entertainment, Manufacturing, Government, and Education.

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

This division is also bringing together design, technology, and content to help corporate brands set up Experience Centres to better communicate their brands and businesses' impact on consumers, stakeholders, and the community. We executed several such Experience Centers for leading brands and corporate houses in the medical devices, transportation, consumer products, and manufacturing industries.

Threats, concerns, and risks

With more than 15 months into the pandemic, the global economy has encountered new challenges. It is holding back economic development in some of the poorest parts of the world; at the same time, there are concerns that the fight against the pandemic is taking resources away from other critical challenges. Geopolitical risks, inflation, interest rate volatility, and forex volatility are expected to keep policymakers on their toes in 2021.

The health and well-being of our employees is the top priority of your Company. It has been our constant endeavor to ensure employees feel safe, cared for, and supported. Your management team is working towards delivering resilience and continuity of our services to our clients.

Your Company's diversified revenues in sectors with low correlation namely Transportation, Media & Communication and Healthcare has enabled us to register a healthy 13.4% Y-o-Y revenue growth during the period when the entire global economy reported a decline. Your Company's customer base is diversified in terms of both geographies we operate in, and currencies we bill in. This mitigates risks arising from geopolitical and currency volatility to a certain degree.

The Company also follows a well-defined hedging policy to address any possible risk associated with volatility in foreign exchange.

We have robust business continuity plans and are continuously testing and upgrading our disaster management infrastructure. Your Company has a well-defined disaster recovery plan to protect business operations and critical data and improve our response to threats, especially cyberattacks.

Internal Control Systems and their adequacy

Your company has an Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Auditor reports to the Chairperson of the Audit Committee of the Board. The internal auditor monitors and evaluates the efficacy and adequacy of the internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company. Your Company has appointed an external audit firm Grant Thornton Bharat LLP to provide an independent, objective and reasonable assurance on the adequacy and effectiveness of the Company's internal controls. The audit firm periodically evaluates and tests the efficacy and adequacy of internal controls. The internal control systems also aim to strengthen the overall assurance practices, processes and controls. Significant audit observations and follow up actions thereon are reported to the Audit Committee.

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

Risk management

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

Financial Analysis

Particulars	₹ in Crores		Change over previous year%	Percentage of Income	
	2020-21	2019-20		2020-21	2019-20
Sales and services	1826	1610	13	98	97
Other income	40	58	-31	2	3
Total Revenues	1866	1668	12	100	100
Cost of sales	87	81	7	5	5
Personnel expenses	1025	951	8	55	57
Financial expenses	6	6	-	-	-
Depreciation/ Amortization	44	43	2	2	3
Other expenses	192	235	-18	10	14
Total Expenditure	1354	1316	3	73	79
Profit before tax and exceptional items	512	352	45	27	21
Tax expenses	144	96	50	8	6
Profit after tax for the year	368	256	44	20	15

Analysis of Overheads

Particulars	₹ in Crores		Variance %
	2020-21	2019-20	
Communication expenses	5.94	7.35	(19)
Inland travel and conveyance	2.02	7.90	(74)
Overseas travel	26.94	68.02	(60)
Advertisement and Sales Promotion	6.71	8.39	(20)
Legal and Professional Expenses	10.84	10.04	8
Consultant fees for software development	71.53	70.12	2

Significant Ratio Analysis

Sl. No.	Particulars	Unit	31.03.2021	31.03.2020
1	Earnings before interest, depreciation and tax/Sales	%	30.78	24.9
2	Profit before tax/ Sales	%	28.04	21.86
3	Profit after tax/ Sales	%	20.15	15.90
4	Current Ratio*	No. of times	5.30	5.53
5	Earnings per share	INR	59.11	41.12

Human Resources

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

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

Your Company believes in Diversity & Inclusion and is committed to the principle of Equal Employment Opportunity for all employees. About 35% of our total workforce comprises of female employees, underscoring the emphasis that Tata Elxsi places on providing equal opportunities for its workforce. Our total headcount was 7362 as of March 31, 2021.

Quality initiatives

In line with our Vision, Mission and Value statements and the Quality policy, we have instituted robust quality processes for execution of our projects. We have also implemented a set of robust information security management processes to assure our global customer base of the required level of confidentiality and protection of data and information. Our processes are complying to and certified against generic standards like ISO 9001:2015 and ISO 27001:2013. In addition our processes are also certified against domain specific requirements like ISO 13485:2016 for medical devices, and Automotive SPICE® Level 5 certification for the transportation business. In addition, our facilities comply with the rigors of ISO 45001:2018, an international standard on Occupational Health and Safety. Our Trivandrum and Pune facilities are also certified for TISAX (Trusted Information Security Assessment Exchange), a new assessment and exchange mechanism for information security focused towards automotive industry.

Directors and Key Managerial Personnel

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

Prof. M.S. Ananth, Independent Director, retired on November 15, 2020 on expiry of his term and upon attaining the age of 75 years, in line with the Tata Group Policy. The Board placed on record their appreciation for the valuable contribution made by Prof. Ananth during his tenure with the Company.

The Board on the recommendation of the Nomination & Remuneration Committee, subject to the approval of the shareholders, has appointed Dr. Anurag Kumar as an Independent Director (additional Director) to hold office for a term of five (5) years from November 15, 2020 upto November 14, 2025.

The term of Mr. Sudhakar Rao as an Independent Director is due to expire on July 31, 2021. The Board, on the recommendation of the Nomination and Remuneration Committee, subject to approval of the shareholders, has approved the re-appointment of Mr. Sudhakar Rao as an Independent Director for the second term commencing from August 01, 2021 up to September 02, 2024 (3 years, 1 month and 2 days).

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 2020-21 had been circulated to all the directors detailing the schedule of Board and Committee meetings during 2020-21.

Pursuant to the provisions of Section 149 of the Act, the Independent Directors have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). During the year 20-21, there here has been no change in the circumstances affecting their status as Independent Directors of the Company. Pursuant to Clause VII (1) of Schedule IV of the Companies Act, 2013 the Independent Directors had a separate meeting on April 20, 2020.

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

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

7. Directors' Responsibility Statement

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2020-21.

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

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

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

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

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

e. The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

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

8. Particulars on Remuneration

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

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

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

Non-Executive Director	**Ratio to median remuneration**
Mr. N G Subramaniam*	-
Mrs. S. Gopinath	19.53
Mr. Sudhakar Rao	16.36
Dr. Anurag Kumar^ (from November 15, 2020)	-
Mr. Ankur Verma*	-
Prof. M.S. Ananth^ (up to November 15, 2020)	-
Executive Directors	
Mr. Manoj Raghavan, MD & CEO	53.86

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

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

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

Directors, Managing Director & CEO, Chief Financial Officer and Company Secretary	% increase in the remuneration of Directors/KMP in the Financial year
Mr. N G Subramaniam**	-
Mrs. S. Gopinath	41.59%
Mr. Sudhakar Rao	91.43%
Dr. Anurag Kumar^ (from November 15, 2020)	-
Mr. Ankur Verma**	-
Prof. M.S. Ananth^ (up to November 15, 2020)	-
Mr. Manoj Raghavan, MD & CEO^	-
Mr. Muralidharan H.V, CFO	12%
Mr. G Vaidyanathan, Company Secretary	6%

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

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

(iii) The percentage increase in the median remuneration of employees in the financial year: 2.4 %

(iv) The number of permanent employees on the rolls of company: 7,362 (including consultants)

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

The average increase in salaries of employees other than managerial personnel in 2020-21 was 7.9%.

Percentage increase/(decrease) in the managerial remuneration for the year was (2.01%).

(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 the Managing Director, Key Managerial Personnel and other officers. The Charter lays down the Rights, Roles and Responsibilities of the NRC. A Policy on Board diversity has also been adopted by the Board. A comprehensive Governance Guidelines for Board effectiveness has also been adopted by the Board on the recommendation of NRC. The Guidelines lay down the following:

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

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

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

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

10. Business Responsibility Report (BRR)

In terms of the Regulation 34(2) (f) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ('Listing Regulations') the Business Responsibility Report forms part of the Annual Report.

11. Risk Management Policy

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

12. Corporate Social Responsibility

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

The Board on the recommendation of CSR Committee adopted a CSR Policy. The same is available on Company's website at www.tataelxsi.com/corporate-social-responsibility. 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-B. The detail of the CSR Committee and its composition is given in section-7 of the Corporate Governance Report.

13. Corporate Governance

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

14. Related Party Transactions

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

None of the transactions with related parties fall under the scope of Section 188(1) of the Act. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company for FY 2020-21 and hence does not form part of this report.

15. Secretarial Audit and Annual Certification

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Ms. Jayashree Parthasarathy of M/s Jayashree Parthasarathy & Co, a Company Secretary-in-Practice, was appointed to undertake the Secretarial Audit. The Report of the Secretarial Auditor along with the certificate of non-disqualification of Directors for the year ended March 31, 2021 is annexed to the Directors' Report as Annexure - C.

16. Extract of annual return

In terms of the Companies Act, 2013 as amended, the Annual Return is available on www.tataelxsi.com/AnnualReturn

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 made thereunder for prevention and redressal of complaints under the above Act. 2 (two) complaints were received by the local Internal Complaints Committee during the year under review, the same has been redressed to the satisfaction of the complainant.

18. Vigil Mechanism

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

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

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

19. Amendment to Articles of Association

The Company with the approval of its members, vide postal ballot dated October 14, 2020, amended its Articles of Association by inserting Article 137A and altering Article 167 with respect to Nomination of Directors and Chairman respectively, w.e.f. December 01, 2020.

20. Others

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

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

The Unclaimed Dividend in respect to the financial year 2013-14 is due for remittance to Investors' Education & Protection Fund (IEPF) on August 25, 2021 in terms of Section 125 of the Companies Act, 2013.

Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has during the year transferred 22,339 equity shares pertaining to those shareholders who have not claimed their dividend for 7 consecutive years since 2013, to the IEPF account on December 02, 2020. So far, the Company has transferred 331,109 equity shares to the IEPF account.

21. Auditors

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

22. Acknowledgements

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

For and on behalf of the Board

N. G. Subramaniam
Chairman

Bengaluru, April 22, 2021

ANNUAL AFFIRMATION REGARDING COMPLIANCE WITH THE CODE OF CONDUCT

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

I hereby confirm that all Board members and senior management personnel have affirmed compliance with the Code of Conduct applicable to them in respect of the year ended March 31, 2021.

Manoj Raghavan
Managing Director

Bengaluru, April 22, 2021

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

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

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

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

Prevention of the wasteful use of natural resources, particularly concerning the emission of greenhouse gases, consumption of water and energy, and the management of waste and hazardous materials have been the key enablers in our journey of environmental sustainability. We have embarked on a critical review of all our approaches towards energy and environmental conservation that will help us identify goals and action plans for the longer term.

2. Technology absorption, adaptation and innovation

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

These programs also facilitate training and preparing design and engineering teams for upcoming projects in terms of delivery capability and capacity. The outcomes of these programs also help showcase technology and development capability to potential customers without violating the confidentiality of work being executed for existing customers in the same area.

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

R&D Activities and Expenditure

During the year, we invested 2.09% of revenue towards in-house R&D projects. We intend to continue investing in technology IP development, especially those related to automotive, broadcast and communication

Expenditure incurred in the R&D centers and innovation centers during the financial year 2020-21 are given below:

i. Capital : Nil

ii. Recurring : ₹ 39. 00 crores

iii. Total : ₹ 39.00 crores

iv. Total R & D expenditure as a total percentage of turnover: 2.09%

3. Foreign Exchange earnings and outgo

Export revenue constituted 87% of the total revenue in financial year 2020-21

(₹ In Crores)

Foreign exchange earnings	1,590.14
CIF Value of imports	15.57
Expenditure in foreign currency	511.94

For and on behalf of the Board

N. G. Subramaniam
Chairman

Bengaluru, April 22, 2021

ANNEXURE "B" TO THE DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

1 Brief Outline on CSR Policy of the Company

Our CSR activities are designed to:

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

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

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

CSR Policy has been adopted and the same is available on the Company's Website at the following link: **www.tataelxsi.com/corporate-social-responsibility**.

2 Composition of CSR Committee

Sl. No.	Name of the Director	Designation/ Nature of Directorship	No. of meetings of CSR Committee attended During the Year
1	Mr. Sudhakar Rao	Chairman, Independent Director	Two (2)
2	Mrs. Shyamala Gopinath	Member, Independent Director	Two (2)
3	Mr. Manoj Raghavan	Member, CEO & MD	Two (2)

3 Provide the web-link where Composition of CSR committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company : **www.tataelxsi.com/corporate-social-responsibility.**

4 Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report) : **Not Applicable**

5 Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set- off for the financial year, if any (in ₹)
		Nil	Nil

6 Average net profit of the Company as per section 135(5) : ₹ **30,527.50 lakhs**

7 (a) Two percent of average net profit of the company as per section 135(5) : ₹ **610.55 lakhs**

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : **Nil**

(c) Amount required to be set off for the financial year: if any : **Nil**

(d) Total CSR Obligation for the financial year (7a+7b+7c). : ₹ **610.55 lakhs**

8 (a) CSR amount spent or unspent for the financial year:

Total Amount spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount Transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the fund	Amount	Date of Transfer
402.45 lakhs	208.10 lakhs	28-04-2021		-	

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No	Name of the project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project duration	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Sec 135(6) (in ₹).	Mode of Implementation - (Direct) (Yes/ No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration Number
1	Setting up a lab for the new M Tech – AI batch (₹ 184.5 Lakhs for two years)	Education / Contribution to public funded universities	Yes	Karnataka	Bangalore	24 months	184.50	Nil	108.50 lakhs	Yes	Indian Institute of Science	Registration in progress
2	Supporting research in cyber security, functional safety for automotives and next gen. communication network architecture (₹ 200 Lakhs for two years).	Contribution to public funded universities/ Contribution to research & development projects	Yes	Tamil Nadu	Chennai	24 months	200.00	Nil	99.60 lakhs	Yes	IIT, Chennai	CSR00004320
	Total								**208.10 lakhs**			

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No	Name of the project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No)	Location of the Project		Amount spent for the project (in ₹).	Mode of implementation - Direct (Yes/ No).	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration Number
1	Supply of daily meals to migrant workers through Taj Hotels	Disaster relief (COVID 19)	Yes	Maharastra	Mumbai	10 lakhs	Yes	Taj Public Service Welfare Trust	CSR00000540
2	Supply of PPE, sanitizers, etc. to Sassoon Hospital	Disaster relief (COVID 19)	Yes	Maharastra	Pune	25 lakhs	Yes	Sumant Moolgaokar Development Foundation	Registration in progress
3	Supply of daily meals to the medical and support staff of Victoria Hospital through Taj Hotels	Disaster relief (COVID 19)	Yes	Karnataka	Bangalore	20 lakhs	Yes	Taj Public Service Welfare Trust	CSR00000540
4	Supply of a Tata Winger vehicle to Bangalore Baptist Hospital for the Mobile Clinic to ensure safety of medical professionals	Promoting healthcare	Yes	Karnataka	Bangalore	10 lakhs	Yes	Bangalore Baptist Hospital	CSR00005121
5	Supply of PPE, sanitizers, etc. to Bangalore Baptist Hospital	Disaster relief (COVID 19)	Yes	Karnataka	Bangalore	25 lakhs	Yes	Bangalore Baptist Hospital	CSR00005121
6	Ration for 1000 school-going children for one month	Disaster relief (COVID 19)	Yes	Karnataka	Bangalore	20 lakhs	Yes	Samarthanam Trust	CSR00000063
7	Sponsoring PPE, sanitizers, etc. for TVM General Hospital	Disaster relief (COVID 19)	Yes	Kerala	Trivandrum	20 lakhs	Yes	Trivandrum General Hospital	-
8	For augmenting patient care facilities at Govt Medical College for COVID 19	Disaster relief (COVID 19)	Yes	Kerala	Trivandrum	17 lakhs	Yes	Government Medical College, Trivandrum	CSR00007241
9	Masks, sanitizers and mineral water for TVM Police Force	Disaster relief (COVID 19)	Yes	Kerala	Trivandrum	0.9 lakh	Yes	Trivandrum Police Force	
10	Sponsoring PPE, sanitizers, etc. for Adyar Cancer Hospital	Disaster relief (COVID 19)	Yes	Tamil Nadu	Chennai	35 lakhs	Yes	Adyar Cancer Hospital, Chennai	CSR00007235
11	Providing financial assistance to critically ill needy patients.	Promoting healthcare	Yes	Kerala	Trivandrum	79.55 lakhs	Yes	Sree Chitra Tirunal Institute for Medical Science & Technology (SCTIMST), Trivandrum	CSR00005589
12	Running clinics at a large slum and providing Mobile Clinic services	Promoting healthcare	Yes	Karnataka	Bangalore	40 lakhs	Yes	Bangalore Baptist Hospital	CSR00005121

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No	Name of the project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No)	Location of the Project		Amount spent for the project (in ₹).	Mode of implementation - Direct (Yes/ No).	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration Number
13	Medicine for the inmates at the hospice	Promoting healthcare	Yes	Karnataka	Bangalore	5 lakhs	Yes	Karunashraya	CSR00002889
14	Sponsoring 60 patient beds and one ventilator for the upcoming Advanced Trauma Care Centre.	Promoting healthcare	Yes	Tamil Nadu	Vellore	39 lakhs	Yes	Christian Medical College, Vellore	CSR00001924
15	Education for 10 orphan children for one year	Promoting education	Yes	Karnataka	Bangalore	6 lakhs	Yes	Vishranti Trust, Bangalore	CSR00006482
16	Sponsoring education and vocational training for spastic children	Promoting education for the differently abled	Yes	Karnataka	Bangalore	10 lakhs	Yes	Ramana Sunritya Aalaya (RASA), Bangalore	CSR00004975
17	Sponsoring education and vocational training for spastic children	Promoting education for the differently abled	Yes	Tamil Nadu	Chennai	10 lakhs	Yes	Ramana Sunritya Aalaya (RASA), Chennai	CSR00004975
	Total					**372.45 lakhs**			

(d) Amount spent in Administrative Overheads ₹ 30.00 lakhs

(e) Amount spent on Impact Assessment, if applicable -

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) ₹ 610.55 lakhs

Excess amount for set off, if Any

Sl. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	610.55 lakhs
(ii)	Total amount spent for the Financial Year	610.55 lakhs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

9 (a) Details of Unspent CSR amount for the preceding three financial years: NIL

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Sl. No	Project ID.	Name of the Project.	Financial Year in which the project was commenced	Project Duration	Total Amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹).	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed/ Ongoing
1	Education	Setting up a lab for the new M Tech – AI batch (Balance of ₹ 184.5 Lakhs sought for two years)	2019-20	2 years	184.50 lakhs	Nil	76.00 lakhs	ongoing
2	Education	Supporting research in cyber security, functional safety for automotives and next gen. communication network architecture (Balance of ₹ 200 Lakhs sought for two years).	2019-20	2 years	200.00 lakhs	Nil	100.40 lakhs	ongoing
	Total				**384.50 lakhs**		**176.40 lakhs**	

10 In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

(asset wise details) **Not Applicable**

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquistion of capital asset

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. -

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11 Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). **Not Applicable**

Manoj Raghavan	**Sudhakar Rao**	**Muralidharan H.V**
Managing Director	Chairman, CSR Committee	Chief Financial Officer

ANNEXURE "C" TO THE DIRECTORS' REPORT

FORM NO. MR - 3
SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2021

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

TO THE MEMBERS OF TATA ELXSI LIMITED

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit and as per the explanations and clarifications given to us and the representations made by the Management, and consideration of the relaxations granted by the Ministry of Corporate Affairs, and Securities and Exchange Board of India warranted due to the COVID 19 pandemic, We, hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes' books, forms and returns filed and other records made available to us and maintained by Tata Elxsi Limited for the financial year ended on 31st March, 2021 according to the applicable provisions of:

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

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

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

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

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

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

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

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

  (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments from time to time.

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

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

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

  (c) The Indian Copyright Act, 1957

  (d) The Patents Act, 1970

  (e) The Trade Marks Act, 1999

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

(vii) Other Laws:

  (a) The Shops and Establishment Act, 1953

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

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

  (d) The Payment of Bonus Act, 1965

  (e) The Payment of Gratuity Act, 1972

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

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

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

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

ii. SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015.

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

We further report that:

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

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

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

We further report that based on the Compliance mechanism established by the Company, and the explanations given to us and the representations made by the Management and relied upon by us, we are of the opinion that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

The Company has amended its Articles of Association by Special Resolution through Postal Ballot by insertion of New Clause as Article 137A & the substitution of Article 167 of the Articles of Association of the Company pursuant to section 14 of the Companies Act 2013, MCA Circular No. 14/2020 dated April 8, 2020; 17/2020 dated April 13, 2020; and 33/2020 dated September 28, 2020 The proposed amendment legislates the right to Tata Sons to nominate directors and Chairperson of the Board of the Company

For **Jayashree Parthasarathy & Co**
Company Secretaries

Jayashree Parthasarathy
FCS No 4610; CP NO. 1988
UDIN F004610C000159105

Place: Bangalore
Date: 22/04/2021

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

ANNEXURE: A

TO THE MEMBERS OF TATA ELXSI LIMITED

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

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

For **Jayashree Parthasarathy & Co**
Company Secretaries

Jayashree Parthasarathy
FCS No 4610; CP NO. 1988
UDIN F004610C000159105

Place: Bangalore
Date: 22/04/2021

CERTIFICATE OF NON DISQUALIFICATION OF DIRECTORS

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

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

We have examined the following documents:

1. Declaration of non-disqualification as required under section 164 of the companies Act 2013,

2. Disclosure of concern of interest as required under section 184 of the Act. (hereinafter referred to as relevant documents)

as received from the Directors of Tata Elxsi limited bearing CIN-L85110KA1989PLC009968, having its registered office at ITBP Road, Whitefield, Bangalore 560068 (herein after referred to as 'the Company'), and the relevant registers, records, forms, and returns maintained by the Company and made available to us by the Company for the purpose of issuing this certificate in accordance with regulation 34(3) read with schedule V Part C Clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations 2015.

Based on the examination as aforesaid, and such other verification carried out by us as deemed necessary and adequate (including Director Identification Number(DIN) status of the respective directors at the portal www.mca.gov.in in our opinion and best of our belief, information and knowledge and according to the explanations provided by the Company its officers and authorised representatives and written representation made by the respective directors, we hereby certify that none of the Directors on the board of the Company as stated below for the financial year ending on 31st March 2021 have been debarred or disqualified from being appointed or continuing as the director of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other statutory authority.

Sl. No.	Name of the Director	DIN	Date of appointment	Date of cessation
1	Sudhakara Rao	00267211	01/08/2016	---
2	Ananth Madaboosi Santhanam	00482391	04/01/2016	15/11/2020
3	Shymala Gopinath	02362921	18/08/2011	---
4	Ganapathy Subramaniam Natarajan	07006215	01/11/2014	---
5	Ankur Verma	07972892	01/08/2018	---
6	Manoj Raghavan	08458315	02/10/2019	---
7	Anurag Kumar	03403112	15/11/2020	---

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

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

For **Jayashree Parthasarathy & Co**
Company Secretaries

Jayashree Parthasarathy
FCS No 4610; CP NO. 1988
UDIN F004610C000159105

Place: Bangalore
Date: 22/04/2021

BUSINESS RESPONSIBILITY REPORT

Regulations 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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, 2020 to March 31, 2021
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
     - Technology consulting, new product design, development, and testing services
     - Consumer Insights & Strategy, Visual Design & Branding, Product & Packaging design, User Experience design, Service Experience design & Transportation design
     - High-end content and 3D Animation services
   - SYSTEMS INTEGRATION & SUPPORT
     - Implement and integrate complete systems and solutions for High-Performance Computing, CAD/CAM/ CAE/PLM, Broadcast, Virtual Reality, Storage, and Disaster Recovery
     - Professional Services for maintenance and support of IT infrastructure in India and overseas
9. Total number of locations where business activity is undertaken by the Company
   a) Number of International Locations (Provide details of major 5): Sales operations are in fourteen international locations including France, Germany, Japan, UAE, UK, and USA.
   b) Number of National Locations: The Company is headquartered in Bengaluru, and operates through twelve design and development centers and six sales offices.
10. Markets served by the Company – The Company delivers design and engineering services, catering to both national and international markets.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR): 6,227.64 Lakhs
2. Total Turnover (INR): 1,86,592.49 Lakhs
3. Total profit after taxes (INR): 36,812.19 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 Disaster Relief*	610.55 Lakhs

*Please refer to the CSR Report included as Annexure "B" to the Directors' Report 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: 08458315
   2. Name: Mr. Manoj Raghavan
   3. Designation: Managing Director & Chief Executive Officer

b) Details of the BR head

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

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

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

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/ policies for...?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)*	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?#	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online? (http://www.tataelxsi.com/attachment/TATA-ELXSI-code-of-conduct. pdf)	Y	Y	Y	Y	Y	Y	Y	Y	Y
7	Has the policy been formally communicated to all relevant internal and external stakeholders?$	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

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

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

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

3. Governance related to BR

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

Annually

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

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

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/JointVentures/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 2020-21.

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:** We won this year's iF Design Award, a world-renowned award for design excellence. Tata Elxsi won this award for its innovative and exceptional design concept for Mixed Reality (MR) Based Smart Assistive Wearable Devices. These devices have been designed by the company to help people with special needs such as Autism or Alzheimer's to deal with social situations, which they might otherwise find difficult. The system is deliberately discreet and the clever use of audio ensures others in the environment are less aware of the support being provided. For example, the device may help people recognise a person whose name they may have forgotten, or support the individual in stressful situations by playing music or pre-recorded calming phrases. The devices employ Mixed Reality by taking information from input devices like discrete wearable cameras driving facial and environment recognition and microphones then feeding back to the user using earphones / ear buds and sound collars. These devices in turn help users to participate in social interactions by giving them subtle guides in the form of audio cues.

   b) **Social Concerns:** We provide integrated design and engineering, digital and connected health, regulatory compliance for our customers. We have helped develop an integrated point-of-care diagnostic device for Malaria and Sickle cell detection. This Lab-in-a-Box diagnostic device can diagnose malaria and sickle cell disease in just minutes, more quickly and affordably as compared to other point-of-care diagnostic on the market today. This is a multi-disease diagnostic platform, and is being developed for thalassemia and Covid-19 too in addition to sickle cell disease and malaria.

   c) **Sustainable Transport:** We work with our customers to realize their vision of future mobility by providing engineering services for connected, autonomous and electric vehicles of the future. This is done by means of our product and design engineering, test and validation and vehicle program management.

   d) **Reduction of Carbon Emission:** We carry out research based on technology and trends on behalf of the customers that help in finding solutions for reduced carbon emission. One of our invention for which patent application has been filed is on thermal management systems that proposes a simple, light-weight and cost-effective cooling mechanism employing a telescopic duct for precise and localized control of battery operation parameters for individual battery cells and can be use in hybrid vehicles. Another patent application that has been filed is for a battery management system (BMS) that involves a customized switching circuitry, intelligently operated using a charging command system to ensure that the batteries always operate within their desired upper and lower state-of-charge (SOC) limits for optimal battery health, and at the same time, ensuring seamless connectivity with a USB host thereby ensuring that the tests can go on uninterrupted. The charging command system operates in a feedback loop, collecting the present state-of-charge from the mobile devices, and by moderating the charging current to cause a slow discharging or a slow charging of the batteries as needed. This feature prolongs life of batteries, and can be deployed in medical and IoT devices.

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

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

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

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

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

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

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

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

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

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

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

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

Principle 3

1. Please indicate the Total number of employees: 7362
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis: 367 consultants
3. Please indicate the Number of permanent women employees: 2382
4. Please indicate the Number of permanent employees with disabilities: 8
5. Do you have an employee association that is recognized by management? No
6. What percentage of your permanent employees is members of this recognized employee association? Not applicable

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

No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	The company does not employ child labour. There were no complaints relating to child labor, forced labor and involuntary labor	
2	Sexual harassment	02	Nil
3	Discriminatory employment	Nil	Nil

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

   (a) Permanent Employees - 73%

   (b) Permanent Women Employees – 80%

   (c) Casual/Temporary/Contractual Employees – 20%

   (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 11 complaints from our investors and 8 complaints stand resolved as on March 31, 2021. There were no other complaints from any other stakeholders.

Principle 6

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

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

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

   The Company strives for environmental sustainability and complies with all applicable laws and regulations, in all its services. It also seeks to prevent the wasteful use of natural resources and is committed to improving the environment, particularly about the emission of greenhouse gases, consumption of water and energy, and the management of waste and hazardous materials.

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

   A few examples of our other initiatives on deployment of mass transport for our employees by getting into an arrangement with Bengaluru Metropolitan Transport Corporation for buses, procurement of star rated electric and electronic equipments and tree plantations inside and outside our premises. In our development process, our initiatives include adopting India Mark Design, mechanical and electronic design of electric/ hybrid vehicle and building RoHS compliance.

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

   Yes, Tata Elxsi Occupational Health and Safety Management System (in line with Clause 6.1.2 of ISO 45001:2018, Hazard Identification and Assessment of Risks) identifies potential risks (including environmental risk) and manages the same. The risks and their management is detailed in the Risk Register. Having said that, the nature of our business does not entail assets and/ or processes with significant environmental footprints.

   Our other ongoing initiatives on energy, emissions and waste are outlined in question 5 below. Our nature of work requires us to operate in workstations and hence office environment and safety is paramount to us. We have instituted safety policy and procedures to govern the same. We regularly train employees and monitor these to overcome hazards and threats. We take the help of external agencies to provide us with guidance for the upkeep of our process to industry standards.

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

   This is not applicable.

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

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

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

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

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

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

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

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

   None

Principle 7

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

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

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

   No

Principle 8

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

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

   Since the last five years, our flagship programmes have been Shiksha and Niramay. Tata Elxsi thrives on cutting edge technology. Therefore, the natural urge to empower young minds in our communities with knowledge, to prepare them for a bright future, by creating the necessary facilities. One significant part of our business is associated with the field of Healthcare and patients. Niramay came out of the necessity of making critical healthcare available to the needy. Our Shiksha program today benefits 145 students in various stages of education (Primary school to PhD programs) including 30 girl students from backward communities, 10 orphans and 60 spastics students. Our Niramay program helps the needy by providing financial support for life-saving treatments, extending quality medical care in slums and palliative care for the terminally ill. We have touched the lives of 9,000+ patients across the country through Niramay.

   CMC Vellore approached us for a one-time grant to help them set up the new Advanced Trauma Care Centre. We sponsored 60 patient beds and one ventilator for the facility.

   As a responsible corporate citizen, we joined the nationwide drive to fight COVID 19 pandemic. We provided large consignments of PPE kits, masks and other urgently needed items for the medical professionals at Sassoon Hospital Pune, Bangalore Baptist Hospital, Government College Trivandrum, Trivandrum General Hospital and Adyar Cancer Hospital Chennai. Through Taj Hotels, we provided food for one month for all doctors and support stuff at Victoria Hospital, Bangalore and migrant workers in Mumbai. We provided ration to 1000 needy students for a month.

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

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

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

   Assessments are carried out as a part of the planning and review process. Programs have been chosen carefully to impact end beneficiaries directly. Procedure of reporting has been laid down very clearly.

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

   The Company has spent an amount of ₹ 610.55 lakhs (Out of this ₹ 208.10 lakhs have been set aside for commitments made for education and research projects. The project timelines got extended due to the pandemic) during this financial year. The programmes have been mainly directed towards education & research / skill development, healthcare and for fighting the COVID 19 pandemic.

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

   We work closely with professional institutions with proven track record to ensure that the benefits are passed on to the target community. Examples of such institutions are Kidwai Memorial Institute of Oncology, Sri Jayadeva Hospital, Baptist Hospital, RASA (Ramana Sunritya Aalaya), Indian Institute of Science, Vishranthi Trust, Samarthanam Trust and Karunashraya in Bangalore, Sri Chitra Tirunal Hospital in Trivandrum, Adyar Cancer Hospital and IIT in Chennai, CMC in Vellore and Sassoon Hospital in Pune. Our association with FAEA (Foundation for Academic Excellence and Access) is for a national education mission for girl students from SC/ST communities.

Principle 9

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

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

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

   Not Applicable

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

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

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

   The Company carries our periodic customer satisfaction surveys from a delivery perspective as well as from an engagement perspective. They provide us an index of our customers' satisfaction levels along with qualitative feedback on our services.

COMPLIANCE REPORT ON CORPORATE GOVERNANCE

Mandatory Requirements:

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

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

2. Board of Directors

The Board comprises of members having varied skills, experience and knowledge. The Board has a mix of both Independent and Non-independent Directors. As on March 31, 2021, the Board of Directors of the Company comprised of six Directors, with three Independent Directors and three Non-Independent Directors. The Chairman of the Company is Non-Executive, Non-Independent. None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees (as specified under Regulation 26 (1) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, across all the companies in which they are Directors. Necessary disclosures regarding Committee positions have been made by the Directors. The Independent Directors are independent of the management and fulfil the requirements as stipulated in Section 149 (6) of the Companies Act, 2013 and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The composition of the Board of Directors as on March 31, 2021 is as follows:

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

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

The details of other directorship in listed companies of Mr. Subramaniam as on March 31, 2021 is as follows:

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

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

Mrs. Shyamala Gopinath has vast experience in guiding and influencing the national policies in the diverse areas of financial sector regulation and supervision, development and regulation of financial markets, capital account management, management of government borrowings, forex reserves management, RBI accounts, and payment and settlement systems. Mrs. Gopinath holds a Master of Commerce degree and is a Certified Associate of Indian Institute of Bankers and has retired as Deputy Governor of Reserve Bank of India. She is also on the Board of other Listed and Unlisted companies. The details of directorship in other listed companies of Mrs. S Gopinath as on March 31, 2021 are as follows:

Sl. No.	Name of the Company	Category of Directorship
1.	Colgate-Palmolive (India) Limited	Independent Director
2.	BASF India Limited	Independent Director
3.	CRISIL Limited	Independent Director
4.	CRISIL Ratings Limited	Independent Director

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

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

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

The details of Mr. Sudhakar Rao's directorship in other listed companies of as on March 31, 2021 are as follows:

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

4. Prof. Anurag Kumar - Non-Executive, Independent Director

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

He has consulted for government and private organisations, and has mentored a networking start-up from its early years to a global footprint. He has led the authorship of two major books that have been used around the world. He was the 1977 President's Gold Medallist in IIT Kanpur. He has been elected Fellow of the IEEE, the Indian National Science Academy (INSA), the Indian National Academy of Engineering (INAE), the Indian Academy of Science (IASc), and The World Academy of Sciences (TWAS). He received the 2015 Vasvik Award for Information Technology, and the 2017 IEI-IEEE Award for Engineering Excellence. He is a recipient of the J.C. Bose National Fellowship, awarded by the Department of Science Technology, for the period 2011-2021.

As on March 31, 2021 Prof. Anurag Kumar does not hold any directorship in any other listed company.

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

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

The details of Mr. Ankur Verma's directorship in other listed companies of as on March 31, 2021 are as follows:

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

6. Mr. Manoj Raghavan – Managing Director

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

He joined Tata Elxsi Limited in 1997 as Regional Manager to set up and grow Japan operations. Subsequently, he was also responsible for developing the business in South Korea, Taiwan, Singapore and China. More recently, Manoj was responsible for the North American business and helped grow the region to become a top revenue earner for the company.

Manoj Raghavan holds a B.Tech in Metallurgical Engineering from IIT Madras, an MBA from The Indian Institute of Foreign Trade, New Delhi and has completed the Advanced Management Program from Harvard Business School. As on March 31, 2021, Mr. Raghavan does not hold directorship in any other listed company.

Core Competencies

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

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

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

Performance evaluation of Board and Directors: The Company has laid down a process for evaluation of the Board and Committees of Board as also evaluation of the performance of each of the Directors. The evaluation criteria include inter-alia, structure of the Board, qualifications, experience and competency of Directors, diversity in Board, effectiveness of the Board process, information and functioning, Board culture and dynamics, quality of relationship between the Board and management, meetings of the Board, including regularity and frequency, discussion and dissent, corporate culture and values, governance and compliance, evaluation of risk amongst others. The criteria is based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017. The evaluation process is conducted and monitored by the Chairperson, Nomination & Remuneration Committee (NRC) in consultation with the members of the committee. The Chairperson, NRC on the basis of the feedback received from each of the Directors has one to one meeting with them. Thereafter, briefs the Chairman of the Board on the outcome, which in turn discussed in the Board meeting. The performance of the Independent Directors was also reviewed at the Board meeting. For the year 2020-21 the Board evaluation has been conducted as per the process mentioned above.

Meeting of Independent Directors: A separate meeting of Independent Directors for the Financial Year 2020-21 as per Clause VII (1) of Schedule IV under Section 149 (8) of the Companies Act, 2013 and Regulation 25 (3) of the Listing Regulations was held on April 20, 2020 wherein the Independent Directors reviewed the performance of the Managing Director, Non-Independent Directors and other matters. The Independent Directors have confirmed that they satisfy the criteria of Independence as stipulated under Section 149 (6) of the Companies Act, 2013 and Regulation 16 (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Familiarisation: The Independent Directors immediately on appointment are issued a formal letter of appointment and a welcome docket outlining their rights, roles and responsibilities, and the Business overview of the Company, policies etc. The Chairman as well as Managing Director of the Company, brief the Director individually on the industry and businesses of the Company, prior to their appointment. At each of the Business plan meeting, normally held in the third/fourth quarter each year, the Directors are briefed on the different business units of the company, the industry as a whole and other details like customers, market etc. During the year, the Annual Business Plan meeting was held on December 18, 2020, which included a session with the management team, wherein, the Directors were walked through the market of different Business units, the customers, the future

prospects, emerging technologies etc. The future strategy of the Company was also discussed.

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

Six Board Meetings were held during the year 2020-21 and the gap between two meetings did not exceed four months. The dates on which the Board Meetings held were April 20, 2020; July 21, 2020; August 28, 2020; October 14, 2020; December 18, 2020 and January 12, 2021. The necessary quorum was present at all the Board meetings. The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting, as also the number of Directorships held by them in other companies are given below:

Name	Category	No. of Board Meetings attended during 2020-21	Whether attended AGM held on July 21, 2020	No. of Chairmanships/Directorships in other Boards/ Committees* of public companies**			
				Chairman/ Chairperson of the Board	Chairman/ Chairperson of the Committee	Member of the Board	Member of the Committee
Mr. N.G. Subramaniam [DIN 07006215]	Non Independent/ Non-Executive	6	Yes	-	-	1	-
Mrs. Shyamala Gopinath [DIN 02362921]	Independent / Non-Executive	6	Yes	-	4	5	1
Mr. Sudhakar Rao [DIN 00267211]	Independent/ Non-Executive	6	Yes	-	3	3	-
Prof. Anurag Kumar@ [DIN: 03403112]	Independent/ Non-Executive	2	NA	-	-	-	-
Mr.Ankur Verma [DIN: 7972892]	Non Independent/ Non-Executive	6	Yes	-	-	5	5
Mr. Manoj Raghavan [DIN 8458315]	Non Independent/ Managing Director	6	Yes	-	-	-	-
Prof. M.S. Ananth^ [DIN 00482391]	Independent / Non-Executive	4	Yes	-	-	-	-

* Only Audit and Stakeholders' Relationship Committees are considered.

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

^ Prof M.S. Ananth retired as an Independent Director from the Board of the Company upon completion of his tenure, w.e.f November 15, 2020.

@ Prof. Anurag Kumar was appointed as an Additional Independent Director of the Company w.e.f November 15, 2020.

None of the Non-Executive Directors hold any shares and/or convertible instruments in the company as at March 31, 2021.

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

3. Audit Committee

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

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
    b. Changes, if any, in accounting policies and practices and reasons for the same.
    c. Major accounting entries involving estimates based on the exercise of judgment by management.
    d. Significant adjustments made in the financial statements arising out of audit findings.
    e. Compliance with listing and other legal requirements relating to financial statements.
    f. Disclosure of any related party transactions.
    g. Qualifications in the draft audit report, if any.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing;
21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Review of information by Audit Committee

The Audit Committee reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee) submitted by management;

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

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

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

Five Audit Committee Meetings were held during the year 2020-21. The dates on which the Audit Committee Meetings held were April 20, 2020; July 21, 2020; October 14, 2020; January 11, 2021 and January 12, 2021.

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 2020-21
1	Mrs. Shyamala Gopinath, Chairperson	Independent / Non-Executive	5
2	Mr. Ankur Verma	Non-Independent / Non-Executive	4
3	Mr. Sudhakar Rao@	Independent / Non-Executive	2
4	Prof. M.S. Ananth*	Independent / Non-Executive	3

* Prof M.S Ananth ceased to be a Director of the Company w.e.f November 15, 2020 and consequently ceased to be a member of the Committee.

@ Mr. Sudhakar Rao was appointed as a Member of the Committee w.e.f December 18, 2020.

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

4. Nomination and Remuneration Committee

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

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

any other activities related to change as requested by the Board from time to time.

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

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

Other than sitting fees and commission paid only to the Independent Directors on the net profits of the Company, no other remuneration is paid/payable to the Non- Executive Directors for 2020-21.

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

Two Nomination and Remuneration Committee Meetings were held on April 20, 2020 and October 14, 2020 during the year 2020-21.

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 2020-21
1	Mrs. Shyamala Gopinath, Chairperson	Independent / Non-Executive	2
2	Mr. N.G. Subramaniam	Non Independent / Non-Executive	2
3	Mr. Sudhakar Rao	Independent / Non-Executive	2

Details of remuneration paid/payable for the year ended March 31, 2021

Non-executive Directors (NEDs):

Sl. No.	Name of the Non-Executive Director	Sitting Fees (₹)	Commission (₹)
1	Mr. N.G. Subramaniam	1,50,000	-
2	Mrs. Shyamala Gopinath	2,25,000	1,60,00,000
3	Prof. M.S. Ananth	1,35,000	88,00,000
4	Mr. Sudhakar Rao	2,25,000	1,34,00,000
5	Prof. Anurag Kumar	30,000	18,00,000
6	Mr. Ankur Verma	1,50,000	-

Managing Director:

Name	Salary (₹)	Commission (₹)	Contribution to Provident & other Funds (₹)	Other Allowances & Perquisites (₹)	Total (₹)
Mr. Manoj Raghavan	1,38,60,276	2,50,00,000	18,10,836	34,58,724	4,41,29,836

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 www.tataelxsi.com/Board-Diversity.

5. Stakeholders' Relationship Committee

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

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

4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

One Stakeholders' Relationship Committee (SRC) Meeting was held during the year 2020-21 on October 14, 2020. The composition, name of the members, chairman, particulars of the Meetings and attendance of the members during the year are as follows:

Sl. No.	Name of Members	Category	No. of Meetings attended during the year 2020-21
1	Mr. Sudhakar Rao, Chairman	Independent/ Non-Executive	1
2	Prof. Anurag Kumar*	Independent/ Non-Executive	-
3	Mr. Manoj Raghavan	Non-Independent / Executive	1
4	Prof. M.S. Ananth[$]	Independent/ Non-Executive	1

* Prof. Anurag Kumar was appointed as a member of the Committee with effect from December 18, 2020.

[$] Prof. M.S. Ananth retired as an Independent Director w.e.f. November 15, 2020 and consequently ceased to be a member of the Committee.

Name, designation & address of the Compliance Officer:

Mr. G. Vaidyanathan, Company Secretary
Tata Elxsi Limited
ITPB Road, Whitefield, Bengaluru – 560048.
Phone : +91-80-22979316
Fax : +91-80-28411474
E-mail : gvnathan@tataelxsi.co.in

Details of complaints received and redressed during 2020-21:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
0	11	8	3

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 contact details for investor grievances are as below:

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

b. TSR Darashaw Consultants Private Ltd.
e-mail: csg-unit@tcplindia.co.in
Phone: +91-022-6656 8484
Fax: +91-022-6656 8494

6. Risk Management Committee

The Board has constituted a Risk Management Committee (RMC) in line with the provisions of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which is responsible to provide oversight in achieving the Company's Enterprise Risk Management (ERM) objectives. The ERM helps these objectives by creating a comprehensive approach to anticipate, identify, prioritize and manage material risks attached to the Company's operations. The primary responsibility of the Committee is to ensure that sound policies, procedures and practices are in place for the enterprise-wide management of the Company's material risks and to report the results of the Committee's activities to the Company's Audit Committee. The terms of reference of the Committee are:

1. Provide ongoing guidance and support for the refinement of the overall risk management.
2. Ensure that management understands and accepts its responsibility for identifying, assessing and managing risk.
3. Determine which enterprise risks are most significant.
4. Assign risk owners and approve action plans.

5. Approve company-wide Risk Assessment & Risk Profile.
6. Update the leadership team from time to time on the on-going ERM progress/changes.
7. Review & report to the Company's Audit Committee/Board.
8. Review and monitor Cyber security measures.

Two Risk Management Committee (RMC) meetings were held on April 03, 2020 and October 14, 2020 during the year 2020-21.

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 2020-21
1	Prof. Anurag Kumar, Chairman$	Independent / Non-Executive	-
2	Mr. N.G. Subramaniam	Non-Independent, Non-Executive	2
3	Mr. Muralidharan H.V	Company Executive (CFO)	2
4	Mr.Sudhakar Rao*	Independent / Non-Executive	2

$ Prof. Anurag Kumar was appointed as the Chairman of the Committee w.e.f December 18, 2020

* Mr. Rao ceased to be the Chairman of the Committee wef December 18, 2020.

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 2020-21. The dates on which the Corporate Social Responsibility (CSR) Meetings held were April 20, 2020 and January 11, 2021.

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 2020-21
1	Mr. Sudhakar Rao, Chairman	Independent / Non-Executive	2
2	Mrs. S. Gopinath	Independent / Non-Executive	2
3	Mr.Manoj Raghavan	Managing Director	2

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

8. General Body Meetings

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

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

Sl. No.	Year	Date	Venue	Time
1.	2019-20	July 21, 2020	Video Conference / Other Audio Visual means	12.30 p.m
2.	2018-19	July 17, 2019	St.John's Auditorium, John Nagar, Koramangala, Bengaluru- 560 034	12.30 p.m.
3.	2017-18	July 25, 2018	St.John's Auditorium, John Nagar, Koramangala, Bengaluru- 560 034	12.30 p.m.

b) No Extra-Ordinary General Meeting of the shareholders was held during the financial year 2020- 21.

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

(i) At the Annual General Meeting held on July 21, 2020, no special resolution was passed

(ii) At the Annual General Meeting held on July 17, 2019 a special resolution for re-appointment of Mrs. Shyamala Gopinath as an Independent Director was passed.

(iii) At the Annual General Meeting held on July 25, 2018, no special resolution was passed.

d) Details of Postal Ballot was conducted during the financial year 2020-21:

During the year, the Company sought the approval of the shareholders by way of a Special Resolution through notice of postal ballot dated October 14, 2020 for alteration of Articles of Association, inserting Article 137A and altering Article 167, with respect to Nomination of Directors and Chairman respectively. The results of the Postal Ballot were announced on December 01, 2020. Mr. Madan V, Practicing Company was appointed as the Scrutinizer to scrutinize the postal ballot and remote e-voting process in a fair and transparent manner.

The details of the voting pattern was as under:

Number of members voted /Total number of votes(shares) cast	No. of votes in favour	No. of votes against	No. of invalid votes
715/3,64,54,590	3,57,81,974	6,72,616	0
	98.15%	1.85%	0.00%

e) Procedure for Postal Ballot

The Company conducted the postal ballot in accordance with the provisions of Section 108, 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management & Administration) Rules, 2014 ("Rules").

In compliance with Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 33/2020 dated September 28, 2020, issued by the Ministry of Corporate Affairs ("MCA"), Company sent the Postal Ballot Notice along with the explanatory statement in electronic form on October 29, 2020 only to those Members whose e-mail addresses were registered with the Company/ Depositories, to enable them to cast their votes electronically. The Company also published a Notice in the newspaper and other requirements as mandated under the provisions of the Act and Rules framed thereunder. The voting rights were reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date.

In compliance with the provisions of Sections 108 and 110 of the Act and Rule 20 and 22 of the Rules read with Regulation 44 of the SEBI Listing Regulations, the Company had 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 Sunday, November 01, 2020 at 9.00 a.m. (IST) until November 30, 2020 at 5:00 p.m. (IST).

Upon completion of scrutiny of the votes cast through e-voting in a fair and transparent manner, the scrutinizer i.e. Mr. Madan V, submitted his report to the Company and the results of the postal ballot were announced by the Company on December 01, 2020. 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

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

9. Disclosures

- There are no materially significant Related Party Transactions during the year that have potential conflict with the interests of the Company at large. Transactions entered into with related parties during the financial year were in the ordinary course of business and at arm's length basis and were approved by the Audit Committee.
- The Company has formulated a policy on Related Party Transactions and the same is available on the Company's website www.tataelxsi.com/policy-on-related-partytransactions.

- There has been no non-compliance or penalties, or strictures imposed on your Company by any of the Stock Exchanges or SEBI, or any statutory authority on any matter related to capital markets during the last three years;
- The guidelines/accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) and prescribed under Section 133 of the Companies Act, 2013 have been followed in the preparation of the financial statements of the Company.
- The Company has adopted a Whistle Blower Policy and has established the necessary mechanism in line with the requirements under the Companies Act, 2013, Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

  a) For employees to report concerns about unethical behaviour;

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

  c) The disclosure reported are addressed in the manner and within the time frames prescribed in the policy.

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

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

  No personnel/person has been denied access to the Audit Committee.
- Your Company has comprehensive guidelines on Prohibition of Insider Trading and the Company has adopted the Tata Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices along with the Policy on Leak of Unpublished Price Sensitive Information and Policy on determination of legitimate purpose, as mandated by SEBI. The policies are available at www.tataelxsi.com/Prevention-of-Insider-Trading
- 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 www.tataelxsi.com/Policy-on-materialityofanevent
- The Company has complied with all mandatory requirements and has fulfilled the following discretionary requirements specified in Part E of Schedule II under Regulation 27 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

  a. The statutory financial statements of the Company are unqualified.

  b. The Internal Auditors of the Company make presentations to the Audit Committee on their reports.

  Volatility of exchange rates is a risk to the Company which is mitigated by way of forex options and forward covers in terms of the Forex Policy as approved by the Board.
- None of the Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority. Ms. Jayashree Parthasarathy, Practicing Company Secretary which is included as an Annexure to the Directors' Report.
- The Company has paid a consolidated amount of ₹ 60.84 lakhs as total fees for all services rendered by the statutory auditor and all entities in the network firm/network entity to which the statutory auditor is part.
- The Company adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints under the above Act.

  The details of complaints received and disposed during the year 2020-21 are as below:

  a. number of complaints filed during the financial year - 2

  b. number of complaints disposed of during the financial year - 2

  c. number of complaints pending as on end of the financial year - 0

10. Means of Communication

- Your Company uses several modes for communicating with its external stakeholders, such

as announcements and press releases in newspapers, circular letters and other reports to the members, posting information on its website (www.tataelxsi.com), intimation to the Stock Exchanges, responding to analyst's queries etc.

- The quarterly, half-yearly and annual results are displayed on the Company's website www.tataelxsi.com and also disseminated through all the modes mentioned above. Financial Express (English daily) and Sanjevani (vernacular daily) are usually the papers in which the quarterly results are published.
- Your Company's Management Discussion & Analysis of the Business for the year ended March 31, 2021 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: www.tataelxsi.com/investors.

11. General Shareholders Information

Sl. No.	Salient Items of Interest	Particulars
i.	AGM Date, Time, and Venue	June 25, 2021, Friday at 2:30 pm through Video Conferencing (VC) or Other Audio Visual Means (OAVM) at Bangalore.
ii.	Financial Calendar	April 22, 2021 – Q4 & FY20-21 Results July 15, 2021– Q1 Results October 22, 2021 – Q2 Results January 12, 2022 – Q3 Results
iii.	Date of Book Closure	June 19, 2021 to June 25, 2021 (both days inclusive)
iv.	Dividend Payment Date	On and after June 25, 2021 Dividends are subject to TDS. You may visit www.tataelxsi.com for details
v.	Listing on Stock Exchanges	**BSE Limited** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001, India Tel. : +91-22-22721234 | Fax : +91-22-22722041 **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 2020-21.
vi.	Stock Code	BSE Limited : 500408; National Stock Exchange Limited: TATAELXSI
vii.	Registrar & Share transfer Agent	TSR Darashaw Consultants Private Limited, C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400 083.
viii.	Share Transfer System	As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. The transfer through demat mode takes place instantaneously between the transferor, transferee, and the Depository Participant through electronic debit/credit of the accounts involved.
ix.	Dematerialisation of shares and liquidity	6,04,99,977 shares were held in dematerialised mode, as at March 31, 2021. The Company's equity shares are actively traded on BSE and NSE.

Sl. No.	Salient Items of Interest	Particulars
x.	Outstanding GDRs /ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity	There are no outstanding instruments and hence there will be no dilution of the equity.
xi.	Development Centre Locations	Your Company's software development centers are located at the following addresses: a. ITPB Road, Whitefield, Bengaluru – 560 048; b. Crescent-4, 9th Floor, Prestige Shantiniketan, Whitefield road, Bengaluru - 560 048 c. IITM Research Park, 3rd Floor, E Block, Kanagam Road, Taramani, Chennai – 600 113; d. Chennai One IT Park, SEZ, Phase 2, 3rd Floor, Pallavaram - Thoraipakkam 200 Feet Road, Thoraipakkam, Chennai 600097 e. Giga Space IT Park, , 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. SEZ Tower VII,, A&B Wing, 4th Floor, Magarpatta City, Hadapsar, Pune – 411 013 h. RN Development Center, Technopark Campus, Kariyavattom, Thiruvananthapuram– 695 581;; i. Gayathri, 1st Floor, Technopark Campus, Kariyavattom, Thiruvananthapuram– 695 581; j. Carnival Building, 5th Floor, Plot No. 2, Technopark Campus, Thiruvananthapuram– 695 581; k. Yamuna SEZ Building, 4th Floor, Phase III Campus, Technopark Thiruvananthapuram – 695581 l. Boston House, No. 202, B Wing, 2nd Floor,Suren Road, Off Andheri- Kurla Road, Andheri East, Mumbai – 400 093
xii.	Address for correspondence	ITPB Road, Whitefield, Bengaluru – 560 048
xiii.	CIN	L85110KA1989PLC009968

Market Price Data: High/Low during each month of 2020-21 on the following exchanges:

Month	BSE			NSE		
	High	Low	Volume (No. of shares)	High	Low	Volume (No. of shares)
Apr-20	860.00	590.00	7,71,238	860.00	590.05	1,16,83,898
May-20	818.75	740.60	9,74,175	818.80	740.10	64,70,597
Jun-20	942.65	768.60	19,91,449	943.00	767.35	1,79,91,121
Jul-20	977.55	876.60	18,50,539	977.95	876.00	1,21,06,761
Aug-20	1,208.75	933.50	20,22,106	1,208.60	932.55	1,23,88,217
Sep-20	1,330.00	1,060.20	20,08,385	1,331.00	1,060.45	1,16,28,449
Oct-20	1,709.90	1,271.00	13,03,658	1,710.00	1,270.15	1,73,52,371
Nov-20	1,610.00	1,452.10	6,54,518	1,609.00	1,455.00	79,37,972
Dec-20	1,887.60	1,485.00	8,85,998	1,888.00	1,468.00	1,07,26,564
Jan-21	2,849.50	1,838.00	24,15,766	2,849.00	1,837.00	3,64,79,698
Feb-21	3,050.00	2,608.00	8,71,550	3,050.00	2,607.00	1,12,93,387
Mar-21	2,836.00	2,544.80	7,17,505	2,837.50	2,541.10	97,38,283

Distribution of Shareholding as on March 31, 2021

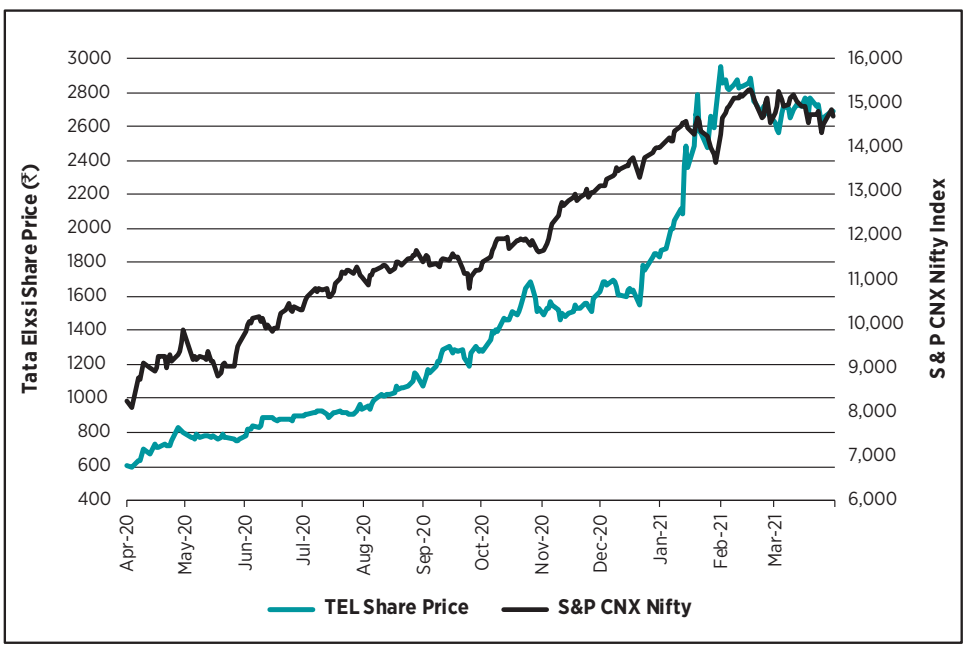
Range of Shares	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1 – 500	1,90,481	96.73	1,15,11,058	18.48
501 – 1000	3,842	1.95	28,68,155	4.61
1001- 2000	1,450	0.74	22,04,406	3.54
2001– 3000	376	0.19	9,51,973	1.53
3001– 4000	187	0.09	6,79,554	1.09
4001– 5000	121	0.06	5,57,796	0.90
5001– 10000	222	0.11	15,75,612	2.53
Over 10,000	251	0.13	4,19,27,886	67.22
Total	**1,96,930**	**100.00**	**6,22,76,440**	**100.00**

Categories of Shareholding as on March 31, 2021

Category	No. of shareholders	No. of shares held	% to capital
Promoter Companies	4	2,77,30,264	44.53
Mutual funds	27	24,87,073	3.99
FI / Banks	3	1,000	0
Insurance Companies	14	4,26,857	0.69
FII / FFI / FPI	173	75,16,242	12.07
NRI	4,911	9,91,185	1.59
Body Corporates	1,336	25,02,572	4.02
Trusts	16	43,145	0.07
Directors & relatives	1	2,000	0
Individuals	1,90,445	2,05,76,102	33.04
Total	**1,96,930**	**6,22,76,440**	**100**

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

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



INDEPENDENT AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI

(Listing Obligations and Disclosure Requirements) REGULATIONS, 2015

TO THE MEMBERS OF TATA ELXSI LIMITED

1. This certificate is issued in accordance with the terms of our engagement letter dated 26 June 2020.

2. We have examined the compliance of conditions of Corporate Governance by Tata Elxsi Limited ("the Company"), for the year ended 31 March 2021, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

Management's Responsibility

3. The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

Auditors' Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March 2021.

6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India (the "ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

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

Restriction on use

10. The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

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

Sanjay Sharma
Partner
Membership number: 063980
UDIN: 21063980AAAAEM5635

Place: Bengaluru
Date: 22 April 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of Tata Elxsi Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the Ind AS financial statements of Tata Elxsi Limited ("the Company"), which comprise the Ind AS balance sheet as at 31 March 2021, and the Ind AS statement of profit and loss (including other comprehensive income), Ind AS statement of changes in equity and Ind AS statement of cash flows for the year then ended, and notes to the Ind AS financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

The key audit matter	How the matter was addressed in our audit
Accuracy of revenue recognition in respect of fixed price contracts (Refer Note 2.4 to the financial statements) The Company engages in fixed price contracts, with its customers where, revenue from each contract is recognized based on percentage of completion. This involves computation of actual cost incurred and estimation of total cost on each contract to measure progress towards completion (the input method). Accuracy of revenue recognition in respect of fixed price contracts has been identified as a Key Audit Matter considering that: • these contracts involve identification of actual cost incurred on each contract including allocation and apportionment; • these contracts require estimation of future cost-to completion of each contract as well as critical estimates to make provision for onerous contract; • at year-end a significant amount of contract assets (unbilled revenue) and contract liabilities (unearned revenue) related to each contract is to be identified.	In view of its significance we applied the following audit procedures in this matter, among others to obtain sufficient appropriate audit evidence: • Obtained an understanding on the systems, processes and controls implemented by the Company with respect to recognition of actual cost incurred on each contract (including allocation and apportionment), estimation of future cost to completion, estimation of provision for onerous contract, measurement of unbilled revenue, unearned revenue and the total contract revenue on its completion. • Involved Information technology ('IT') specialists to assess the design and operating effectiveness of key IT controls relating to revenue recognition and in particular: ➢ IT environment in which the business systems operate, including access controls, program change controls, program development controls and IT operation controls; ➢ Access and application controls pertaining to time recording and allocation systems which prevent unauthorised changes to recording of costs and revenue. • For selected samples of fixed contracts, – ➢ Evaluated the contractual terms to identify the performance obligation and assessed the basis of revenue recognition; ➢ Checked the approval for estimates of cost to completion by authorised personnel of the Company; ➢ Carried out a retrospective assessment of costs incurred with estimated costs to identify any significant variation and checked whether those variations have been considered in estimating the remaining costs to complete the contract; and ➢ Verified the contract assets and contract liabilities on balance sheet by evaluating the underlying documentation to identify possible delays in achieving milestones which require change in estimated costs to complete the remaining performance obligations; ➢ Checked journal entries impacting the revenue recognition for the period selected based on specified risk-based criteria. • Checked the adequacy of provision in respect of onerous contracts.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the Ind AS financial statements and our auditors' report thereon. The other information is expected to be made available to us after the date of the Auditor's report.

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Management's and Board of Directors' Responsibility for the Ind AS Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring 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 Ind AS financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

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

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

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

disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

   c) The Ind AS balance sheet, the Ind AS statement of profit and loss (including other comprehensive income), the Ind AS statement of changes in equity and the Ind AS 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 Ind AS specified under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.

   (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its Ind AS financial statements - Refer Note 33 to the Ind AS financial statements.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

   iv. The disclosures in the Ind AS financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.

   (C) With respect to the matter to be included in the Auditors' Report under section 197(16):

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

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

Sanjay Sharma
Partner
Membership number: 063980
UDIN: 21063980AAAAEL8193

Place: Bengaluru
Date: 22 April 2021

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

With reference to the Annexure A referred to in the paragraph 1 in Report on Other Legal and Regulatory Requirements of the Independent Auditor's Report to the members of Tata Elxsi Limited ('the Company') on the Ind AS financial statements for the year ended 31 March 2021, 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 the 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) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The Company has maintained proper records of inventory. The discrepancies noticed on verification between the physical stock and the book records were not material.

(iii) According to information and Explanation 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 Paragraph 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 Paragraph 3(iv) of the order are 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. Accordingly, the provisions of Paragraph 3(v) of the order are not applicable to the Company.

(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. Accordingly, the provisions of Paragraph 3(vi) of the order are not applicable to the Company.

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

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, , Goods and Services tax, duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2021, for a period of more than six months from the date they became payable.

(vii) (b) According to the information and explanations given to us, there are no dues of Income tax or Sales tax

or Service tax or Goods and Service tax or duty of Customs or Value Added Tax which have not been deposited on account of any disputes, except the following:

Name of the Statute	Nature of the Dues	Amount (₹ lakhs)	Period to which amount relates (FY)	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	67.29	2008-09	Income Tax Appellate Tribunal
The Income Tax Act, 1961	Income Tax	2,930.13	2012-13	Commissioner of Income-tax (Appeals)
The Income Tax Act, 1961	Income Tax	291.86	2017-18	Commissioner of Income-tax (Appeals)

(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 during the year. Accordingly, the provisions of Paragraph 3(viii) of the order are 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, the provisions of Paragraph 3(ix) of the order are 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 year.

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

(xii) According to the information and explanations given to us, in our opinion, the Company is not a Nidhi Company as prescribed under Section 406 of the Act. Accordingly, the provisions of Paragraph 3(xii) of the order are not applicable to the Company.

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

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

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

Sanjay Sharma
Partner
Membership number: 063980
UDIN: 21063980AAAAEL8193

Place: Bengaluru
Date: 22 April 2021

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT ON THE IND AS FINANCIAL STATEMENTS OF TATA ELXSI LIMITED FOR THE YEAR ENDED 31 MARCH 2021.

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

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

Opinion

We have audited the internal financial controls with reference to Ind AS financial statements of Tata Elxsi Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Ind AS financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

Meaning of Internal Financial controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

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

Sanjay Sharma
Partner
Membership number: 063980
UDIN: 21063980AAAAEL8193

Place: Bengaluru
Date: 22 April 2021

BALANCE SHEET

₹ lakhs

	Note	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3 (i)	8,600.59	8,229.25
(b) Capital work-in-progress	3 (ia)	726.73	91.31
(c) Right of use assets	32 (b)	6,509.42	5,183.27
(d) Intangible assets	3 (ii)	1,855.22	1,293.49
(e) Financial assets			
(i) Investments*	4	-	-
(ii) Loans receivable	6 (ia)	2,039.96	1,682.70
(iii) Other financial assets	6 (ib)	10,200.00	-
(f) Deferred tax assets (net)	7	995.83	876.83
(g) Other non-current assets	8 (i)	209.39	341.20
(h) Tax assets (net)	9 (i)	1,395.19	1,079.83
Total non-current assets		**32,532.33**	18,777.88
Current assets			
(a) Inventories	10	6.29	171.20
(b) Financial assets			
(i) Trade receivables	11	40,225.83	39,238.07
(ii) Cash and cash equivalents	12	10,041.73	22,842.45
(iii) Other bank balances	13	75,920.25	43,580.02
(iv) Loans receivable	5	90.51	89.37
(v) Other financial assets	6 (ii)	7,366.55	8,440.70
(c) Other current assets	8 (iii)	5,485.77	5,758.45
Total current assets		**139,136.93**	120,120.26
TOTAL ASSETS		**171,669.26**	138,898.14
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14	6,227.64	6,227.64
(b) Other equity	15	128,989.51	102,775.89
Total equity		**135,217.15**	109,003.53
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities		6,045.69	4,501.39
(b) Provisions	16 (i)	3,960.00	3,655.98
Total non-current liabilities		**10,005.69**	8,157.37
Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities		1,275.30	1,325.66
(ii) Trade payables	17		
a) Dues of micro, small and medium enterprises		-	-
b) Dues of creditors other than micro, small and medium enterprises		5,613.07	4,713.20
(iii) Other financial liabilities	18	5,359.80	4,669.41
(b) Other current liabilities	20	8,305.35	7,649.87
(c) Provisions	16 (ii)	1,258.69	1,006.42
(d) Current tax liabilities (net)	19 (i)	4,634.21	2,372.68
Total current liabilities		**26,446.42**	21,737.24
TOTAL EQUITY AND LIABILITIES		**171,669.26**	138,898.14

* value is less than a lakh

See accompanying notes to the Ind AS financial statements 1 - 41

As per our report of even date attached

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

Sanjay Sharma
Partner
Membership No.: 063980

Bengaluru, April 22, 2021

for and on behalf of the Board

N G Subramaniam	*DIN: 07006215*	*Chairman*
Manoj Raghavan	*DIN: 0008458315*	*Managing Director*
Muralidharan H V		*Chief Financial Officer*
G.Vaidyanathan		*Company Secretary*

Bengaluru, April 22, 2021

STATEMENT OF PROFIT AND LOSS

₹ lakhs

	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from operations	21	182,615.97	160,986.04
Other income (net)	22	3,976.52	5,841.25
Total income		**186,592.49**	166,827.29
EXPENSES			
Cost of materials consumed	23	8,539.21	8,112.51
Changes in inventories of stock-in-trade	24	164.91	(4.97)
Employee benefits expense	25	102,452.34	95,086.76
Finance costs		593.19	556.26
Depreciation and amortisation expense	3 & 32(b)	4,438.09	4,341.34
Other expenses	26	19,218.08	23,491.35
Total expenses		**135,405.82**	131,583.25
Profit before tax		**51,186.67**	35,244.04
Tax expense			
i) Current tax		14,320.00	9,513.00
ii) Deferred tax		54.48	121.03
Total tax		**14,374.48**	9,634.03
Net Profit for the year		**36,812.19**	25,610.01
Other comprehensive income/(loss)			
(i) Items that will not be reclassified subsequently to profit or (loss)			
- Remeasurement of the defined benefit asset / (liability)		(496.44)	(655.41)
(ii) Income tax relating to items that will not be reclassified subsequently to profit or loss		173.48	229.03
Other comprehensive income / Other comprehensive loss for the year, net of income tax		(322.96)	(426.38)
Total comprehensive income for the year		**36,489.23**	25,183.63
Earnings per equity share (₹)	28		
(a) Basic		59.11	41.12
(b) Diluted		59.11	41.12
See accompanying notes to the Ind AS financial statements	1 - 41		

As per our report of even date attached

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Firm Registration No.: 101248W/W-100022

Sanjay Sharma
Partner
Membership No.: 063980

Bengaluru, April 22, 2021

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Manoj Raghavan	*DIN: 0008458315*	*Managing Director*
Muralidharan H V		*Chief Financial Officer*
G.Vaidyanathan		*Company Secretary*

Bengaluru, April 22, 2021

STATEMENTS OF CHANGES IN EQUITY

A. EQUITY SHARE CAPITAL

₹ lakhs

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

₹ lakhs

Balance as at April 1, 2020	Changes in equity share capital during the year	Balance as at March 31, 2021
6,227.64	-	6,227.64

B. OTHER EQUITY

₹ lakhs

	Reserves and Surplus		Items of other comprehensive income	Total
	General reserve	Retained earnings	Remeasurement of the defined benefit plans	
As at April 1, 2019	**7,596.00**	**80,928.40**	**(476.77)**	**88,047.63**
Transition impact of Ind AS 116 (Refer note 2.6)	-	(319.90)	-	(319.90)
Profit for the year	-	25,610.01	-	25,610.01
Other comprehensive income (net of tax)	-	-	(426.38)	(426.38)
Total	**7,596.00**	**106,218.51**	**(903.15)**	**112,911.36**
Dividend and dividend distribution tax thereon paid	-	(10,135.47)	-	(10,135.47)
Transfer of profits of the year to general reserve	1,000.00	(1,000.00)	-	-
As at March 31, 2020	**8,596.00**	**95,083.04**	**(903.15)**	**102,775.89**
As at April 1, 2020	**8,596.00**	**95,083.04**	**(903.15)**	**102,775.89**
Profit for the period	-	36,812.19	-	36,812.19
Other comprehensive income (net of tax)	-	-	(322.96)	(322.96)
Total	**8,596.00**	**131,895.23**	**(1,226.11)**	**139,265.12**
Dividend paid	-	(10,275.61)	-	(10,275.61)
Transfer of profits of the year to general reserve	1,000.00	(1,000.00)	-	-
As at March 31, 2021	**9,596.00**	**120,619.62**	**(1,226.11)**	**128,989.51**

See accompanying notes to the Ind AS financial statements 1 - 41

As per our report of even date attached

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

Sanjay Sharma
Partner
Membership No.: 063980

Bengaluru, April 22, 2021

for and on behalf of the Board

N G Subramaniam	*DIN: 07006215*	*Chairman*
Manoj Raghavan	*DIN: 0008458315*	*Managing Director*
Muralidharan H V		*Chief Financial Officer*
G.Vaidyanathan		*Company Secretary*

Bengaluru, April 22, 2021

STATEMENT OF CASH FLOW

₹ lakhs

		For the year ended March 31, 2021	For the year ended March 31, 2020
A.	**Cash flows from operating activities**		
	Profit for the year	36,812.19	25,610.01
	Adjustment for:		
	Income tax expense recognised in profit and loss	14,374.48	9,634.03
	Depreciation and amortisation	4,438.09	4,341.34
	Interest income recognised in profit and loss	(2,901.42)	(3,311.14)
	Finance costs	593.19	556.26
	Bad debts written off	669.31	31.08
	Provision for doubtful debts	498.51	227.77
	Loss/(Profit) on sale of assets	1.43	(2.72)
	Net (gain) /loss arising on financial assets mandatorily measured at fair value through profit and loss	(386.73)	631.24
	Net unrealised exchange loss / (gains)	797.66	(1,202.74)
	Operating profit before working capital changes	**54,896.71**	36,515.13
	Movement in working capital:		
	Adjustments for (increase) / decrease in operating assets:		
	Loans receivables	(1.14)	(13.54)
	Unbilled revenue	1,470.63	(2,513.12)
	Other financial assets	(15.73)	(506.39)
	Other assets	224.60	1,390.65
	Inventories	164.91	(4.97)
	Trade receivables	(2,738.90)	(3,156.66)
	Adjustments for increase / (decrease) in operating liabilities:		
	Provisions	556.29	2,584.88
	Trade payables	878.28	(890.27)
	Other financial liabilities	517.71	289.16
	Other current liabilities	159.04	849.23
	Cash generated from operations	**56,112.40**	34,544.10
	Income tax paid (net)	(12,373.83)	(8,967.77)
	Net Cash generated from operating activities - (A)	**43,738.57**	25,576.33
B.	**Cash flows from investing activities**		
	Purchase of property, plant and equipment and intangibles	(3,883.97)	(2,310.76)
	Proceeds from sale of property, plant and equipment and intangibles	0.60	21.91
	Movement in fixed deposits, net	(42,440.03)	2,699.97
	Interest received	2,550.14	3,487.31
	Net Cash(used in)/ generated from investing activities - (B)	**(43,773.26)**	3,898.43

₹ **lakhs**

		For the year ended March 31, 2021	For the year ended March 31, 2020
C.	**Cash flows from financing activities**		
	Payment of lease liability	(2,370.57)	(2,235.80)
	Dividend including dividend tax paid	(10,275.61)	(10,135.47)
	Net Cash used in financing activities - (C)	**(12,646.18)**	(12,371.27)
	Net (decrease) / increase in cash and cash equivalents (A+B+C)	**(12,680.87)**	17,103.49
	Cash and cash equivalents as at beginning of the year	22,842.45	5,371.04
	Effects of exchange rate changes on the balances of cash and cash equivalents held in foreign currencies	(119.85)	367.92
	Cash and cash equivalents as at end of the year (Refer note 12)	**10,041.73**	22,842.45

See accompanying notes to the Ind AS financial statements 1 - 41

As per our report of even date attached

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

Sanjay Sharma
Partner
Membership No.: 063980

Bengaluru, April 22, 2021

for and on behalf of the Board

N G Subramaniam	*DIN: 07006215*	*Chairman*
Manoj Raghavan	*DIN: 0008458315*	*Managing Director*
Muralidharan H V		*Chief Financial Officer*
G.Vaidyanathan		*Company Secretary*

Bengaluru, April 22, 2021

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

A. Significant accounting policies

1. Corporate information

Tata Elxsi Limited ("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 head quartered in Bengaluru, and operates through delivery centers in Bengaluru, Chennai, Pune, Mumbai and Thiruvananthapuram.

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

The Board of Directors of the Company at their meeting held on October 14, 2020 have approved the alteration to the Articles of Association of the Company. The same has been approved by the shareholders through a special resolution passed vide postal ballot effective December 1, 2020, where in, Tata Sons Private Limited shall have the right to nominate 1/3rd (one third) of the total number of Directors (including the Chairman) on the Board. Accordingly, in accordance with provisions of IND AS 110, Consolidated Financial Statements, the Company has become a Subsidiary of Tata Sons Private Limited effective December 1, 2020.

2. Basis of preparation of financial statements.

2.1 Statement of compliance

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

These financial statements were authorized for issue by the Board of Directors on April 22, 2021.

2.2 Basis of preparation and presentation

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

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

2.3 Use of estimates and judgement

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

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

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

Percentage of completion of contracts

The Company uses the percentage of completion method using the input (cost expended) method to measure progress towards completion in respect

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

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.

Provisions and contingent liabilities

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

2.4 Revenue recognition

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

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

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

customer. The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

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

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

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

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

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

Use of significant judgements in revenue recognition

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

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

for capitalisation. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered (refer note 8).

2.5 Other income

Interest income is accounted for using the effective interest method.

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

Foreign currency gains and losses are reported on net basis.

2.6 Leases

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

Company as a lessee

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

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

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

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

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

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

As a lessee:

For transition, the Company has elected not to apply the requirements of Ind AS 116 leases for which the underlying asset is of low value on a lease-by-lease basis. The Company has used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right of use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease. When measuring lease liabilities for leases that were classified as operating leases, the Company discounted lease payments using its incremental borrowing rate at 1 April 2019. The weighted-average rate applied is 8.5% for the leases having tenure of less than 3 years and 11% for those having more than 3 years.

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

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

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.

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

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

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

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

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

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

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

2.10 Inventories

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

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

Cost is determined on the basis of specific identification method.

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

2.11 Financial instruments

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

Cash and cash equivalents

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

Financial assets at amortized cost

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

Financial assets at fair value through other comprehensive income

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

Financial assets at fair value through profit or loss

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

Financial liabilities at fair value through profit or loss

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

Derecognition

Financial assets

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

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

Financial liabilities

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

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

2.12 Property, plant and equipment

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

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

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

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

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

The estimated useful life on a straightline basis of amortization is mentioned below:

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

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 life on a straightline basis of amortization is mentioned below:

Type of asset	Useful lives
Technical Know-how	3 years
Computer Software	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, pension and employee state insurance scheme.

Defined benefit plans

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

Defined contribution plans

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

Compensated absences:

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

2.15 Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management reporting structure. The operating segments are the segments for which separate financial information is available

and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

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

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

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

2.16 Earnings per share

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

2.17 Impairment

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

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

(ii) Non-financial assets

Property, plant and equipment and Intangible assets

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

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

2.18 Operating cycle:

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

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

2.19 Recent pronouncements:

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

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, 2020	929.90	49.96	3,920.62	850.73	156.78	6,807.32	963.51	1,417.92	640.41	434.06	27.98	16,199.19
Additions	-	-	-	632.60	-	1,389.86	138.51	67.77	27.65	153.61	-	2,410.00
Less: Disposals/Deletions	-	-	-	0.43	-	8.11	0.96	2.85	1.66	6.50	-	20.51
Balance as at March 31, 2021	**929.90**	**49.96**	**3,920.62**	**1,482.90**	**156.78**	**8,189.07**	**1,101.06**	**1,482.84**	**666.40**	**581.17**	**27.98**	**18,588.68**
II. Accumulated depreciation												
Balance as at April 1, 2020	-	13.60	623.09	556.91	61.63	4,707.38	491.93	911.50	313.52	277.77	12.61	7,969.94
Add: Depreciation expense for the year	-	3.41	158.04	236.34	27.46	1,052.75	157.31	201.93	111.56	83.99	3.82	2,036.61
Less: Eliminated on disposal of assets	-	-	-	0.37	-	7.44	0.71	2.69	0.75	6.50	-	18.46
Balance as at March 31, 2021	**-**	**17.01**	**781.13**	**792.88**	**89.09**	**5,752.69**	**648.53**	**1,110.74**	**424.33**	**355.26**	**16.43**	**9,988.09**
III. Net carrying amount (I-II)	**929.90**	**32.95**	**3,139.49**	**690.02**	**67.69**	**2,436.38**	**452.53**	**372.10**	**242.07**	**225.91**	**11.55**	**8,600.59**

₹ 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, 2019	929.90	49.96	3,906.31	751.49	156.77	5,897.72	776.70	1,311.75	448.55	407.76	74.24	14,711.15
Additions	-	-	14.31	121.29	0.01	915.57	186.97	108.56	191.86	26.45	-	1,565.02
Less: Disposals/Deletions	-	-	-	22.05	-	5.97	0.16	2.39	-	0.15	46.26	76.98
Balance as at March 31st, 2020	**929.90**	**49.96**	**3,920.62**	**850.73**	**156.78**	**6,807.32**	**963.51**	**1,417.92**	**640.41**	**434.06**	**27.98**	**16,199.19**
II. Accumulated depreciation												
Balance as at April 1, 2019	-	10.20	465.02	327.19	34.15	3,719.51	344.85	642.49	213.90	199.32	29.59	5,986.22
Add: Depreciation expense for the year	-	3.40	158.07	251.77	27.48	991.34	147.24	271.12	99.62	78.58	13.09	2,041.71
Less: Eliminated on disposal of assets	-	-	-	22.05	-	3.47	0.16	2.11	-	0.13	30.07	57.99
Balance as at March 31st, 2020	**-**	**13.60**	**623.09**	**556.91**	**61.63**	**4,707.38**	**491.93**	**911.50**	**313.52**	**277.77**	**12.61**	**7,969.94**
III. Net carrying amount (I-II)	**929.90**	**36.36**	**3,297.53**	**293.82**	**95.15**	**2,099.94**	**471.58**	**506.42**	**326.89**	**156.29**	**15.37**	**8,229.25**

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

3.(ia) Capital work-in-progress

₹ lakhs

Particulars	Capital work-in-progress
As at 1 April 2019	44.75
Add: Additions	1,979.53
Less: Capitalizations	1,932.97
As at 31st March 2020	**91.31**
As at 1 April 2020	91.31
Add: Additions	4,066.44
Less: Capitalizations	3,431.02
As at 31st March 2021	**726.73**

3.(ii) Intangible assets

₹ lakhs

Description of assets		Computer software	Total
I.	**Gross carrying amount**		
	Balance as at April 1, 2020	3,462.77	3,462.77
	Additions	1,021.02	1,021.02
	Less: Disposals/Deletions	-	-
	Balance as at March 31, 2021	**4,483.79**	**4,483.79**
II.	**Accumulated amortisation**		
	Balance as at April 1, 2020	2,169.28	2,169.28
	Add: Amortisation expense for the year	459.29	459.29
	Less: Eliminated on disposal of assets	-	-
	Balance as at March 31, 2021	**2,628.57**	**2,628.57**
III.	**Net carrying amount (I-II)**	**1,855.22**	**1,855.22**

₹ lakhs

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

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

₹ lakhs

		As at March 31, 2021	As at March 31, 2020
4	**INVESTMENTS**		
	Non-current		
	Unquoted		
	Investments in other entities *	-	-
	(Refer note 38)		
		-	-
	* value is less than a lakh		
5	**LOANS RECEIVABLE**		
	Unsecured, considered good		
	Current		
	Loans to employees	90.51	89.37
		90.51	89.37
6	**LOANS RECEIVABLE**		
	(i) Non-current		
	(a) Security deposits		
	Considered good	2,039.96	1,682.70
	Considered doubtful	15.98	15.98
		2,055.94	1,698.68
	Less: provision for doubtful deposits	15.98	15.98
		2,039.96	1,682.70
	(b) Other financial assets		
	Fixed deposits with original maturity greater than 12 months	10,200.00	-
		10,200.00	-
	(ii) Current		
	(a) Other financial assets		
	- Fair value of foreign exchange derivative contracts	98.66	90.34
	- Interest receivable	1,049.97	747.93
	- Unbilled receivables	6,131.59	7,602.22
	- Security deposits	86.33	0.21
		7,366.55	8,440.70
7	**DEFERRED TAX ASSETS (NET)**		
	Deferred tax assets / (liabilities) in relation to:		
	a) Property, plant and equipment and intangible assets	(262.04)	(232.07)
	b) Provision for employee benefits	710.68	691.42
	c) Provision for doubtful receivables/other assets	261.62	179.94
	d) Leases	285.57	237.54
		995.83	876.83

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

₹ lakhs

		As at March 31, 2021		As at March 31, 2020	
8	**OTHER ASSETS**				
	(i) Non-current Considered good				
	a) Capital advances	0.26		107.25	
	b) Prepaid expenses	209.13	209.39	233.95	341.20
			209.39		341.20
	(ii) Current Considered good				
	a) Prepaid expenses		978.32		748.03
	b) Indirect taxes recoverable		541.79		722.12
	c) Advance to suppliers		340.88		283.33
	d) Claims receivable	1,382.48		2,042.96	
	Less: Provision for claims receivable	574.90	807.58	-	2,042.96
	e) Contract assets		2,579.88		1,351.90
	f) Contract fulfilment cost		51.96		279.14
	g) Advance to employees		26.94		330.97
	h) Gratuity (refer note 29.1b)		158.42		-
			5,485.77		5,758.45

₹ lakhs

		As at March 31, 2021	As at March 31, 2020
9	**TAX ASSETS (NET)**		
	(i) Non-current		
	- Tax deducted at source/advance tax paid (net of provision)	1,395.19	1,079.83
		1,395.19	1,079.83
10	**INVENTORIES**		
	(At lower of cost or net realisable value)		
	Components and spares - for trading	6.29	171.20
		6.29	171.20
11	**TRADE RECEIVABLES**		
	Current		
	Unsecured		
	(a) Considered good	40,225.83	39,238.07
	(b) Considered doubtful	157.80	498.98
		40,383.63	39,737.05
	Less: Provision for impairment	157.80	498.98
		40,225.83	39,238.07
	Above balances of trade receivables include balances with related parties (Refer note 31)		
12	**CASH AND CASH EQUIVALENTS**		
	Cash on hand	0.30	0.44
	Funds-in-transit	124.94	946.27
	Balances with banks		
	i) in current accounts	9,916.49	17,885.83
	ii) Fixed deposits with original maturity less than 3 months	-	4,009.91
		10,041.73	22,842.45

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

₹ lakhs

	As at March 31, 2021	As at March 31, 2020
13 OTHER BANK BALANCES		
a) in earmarked accounts		
- Unclaimed dividends account	679.85	579.65
b) Fixed deposits with original maturity greater than 3 months	75,240.40	43,000.37
	75,920.25	43,580.02

₹ lakhs

	As at March 31, 2021	As at March 31, 2020
14 SHARE CAPITAL		
Authorised :		
70,000,000 equity shares of ₹ 10/- each		
(March 31, 2020: 70,000,000 equity shares of ₹ 10/- each)	**7,000.00**	7,000.00
Issued :		
62,303,840 equity shares of ₹ 10/- each		
(March 31, 2020: 62,303,840 equity shares of ₹ 10/- each)	**6,230.38**	6,230.38
Subscribed and fully paid up :		
62,276,440 equity shares of ₹ 10/-each		
(March 31, 2020: 62,276,440 equity shares of ₹ 10/-each)	6,227.64	6,227.64
	6,227.64	6,227.64

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount in ₹ lakhs	Number of shares	Amount in ₹ lakhs
Equity shares with voting rights				
Opening balance	62,276,440	6,227.64	62,276,440	6,227.64
Closing balance	**62,276,440**	**6,227.64**	**62,276,440**	**6,227.64**

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

Name of share holder	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	% of holding in that class of shares	Number of shares held	% of holding in that class of shares
Equity shares of ₹10 each with voting rights				
Tata Sons Private Limited	26,295,264	42.22%	26,295,264	42.22%

Rights, preferences and contingencies attached to equity shares

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

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

₹ lakhs

	As at March 31, 2021		As at March 31, 2020	
15 OTHER EQUITY				
(i) General reserve:				
Opening balance	8,596.00		7,596.00	
Add: Transferred from surplus in statement of profit and loss	1,000.00		1,000.00	
		9,596.00		8,596.00
(ii) Surplus in statement of profit and loss				
Opening balance		94,179.89		80,451.63
Less: Transition impact of Ind AS 116, net (Refer note 2.6)				(319.90)
Add/(Less): Transferred from other comprehensive income for the year		(322.96)		(426.38)
Less: Dividend including tax on dividend		(10,275.61)		(10,135.47)
Add: Net profit for the year		36,812.19		25,610.01
Balance available for appropriation		**120,393.51**		95,179.89
Less: Appropriations				
a) Transfer to general reserve		(1,000.00)		(1,000.00)
Closing balance		**119,393.51**		94,179.89
		128,989.51		102,775.89

₹ lakhs

	As at March 31, 2021	As at March 31, 2020
16 PROVISIONS		
(i) Non-current		
(a) Provision for employee benefits		
- Provision for compensated absences	1,544.00	1,379.33
- Gratuity	-	44.65
- Pension	2,416.00	2,232.00
	3,960.00	3,655.98
(ii) Current		
(a) Provision for employee benefits		
- Provision for compensated absences	1,150.06	903.62
(b) Other provisions		
- Provision for warranty	108.63	102.80
	1,258.69	1,006.42

Details of movement in other provisions is as follows: ₹ lakhs

Particulars	**Amount**
Balance as at April 1, 2019	**98.63**
Net charge during the year	4.17
Balance as at March 31, 2020	**102.80**
Balance as at April 1, 2020	**102.80**
Net charge during the year	5.83
Balance as at March 31, 2021	**108.63**

NOTES FORMING PART OF THE IND AS 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, 2021	As at March 31, 2020
17	**TRADE PAYABLES**		
	Current		
	-Acceptances	-	42.76
	-Other than acceptances		
	Trade payables - Micro, small and medium enterprises	-	-
	Trade payables - Other than micro, small and medium enterprises	5,613.07	4,670.44
		5,613.07	4,713.20
	Above balances of trade payables include balances with related parties (Refer note 31)		
18	**OTHER FINANCIAL LIABILITIES**		
	Current		
	a) Employee related liabilities	4,598.69	3,705.56
	b) Payables on purchase of fixed assets	81.06	5.59
	c) Security deposit accepted	0.20	0.20
	d) Unclaimed dividend	679.85	579.65
	e) Fair value of foreign exchange derivative contracts	-	378.41
		5,359.80	4,669.41
19	**TAX LIABILITIES**		
	Current		
	- Provision for taxation (net of advance tax)	4,634.21	2,372.68
		4,634.21	2,372.68
20	**OTHER LIABILITIES**		
	Current		
	a) Advance from customers	2,276.99	1,204.01
	b) Contract liabilities	2,744.83	2,958.62
	c) Statutory and other liabilities	3,283.53	3,487.24
		8,305.35	7,649.87

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

₹ lakhs

		For the year ended March 31, 2021	For the year ended March 31, 2020
21	**REVENUE FROM OPERATIONS**		
	Rendering of services	181,031.66	159,319.20
	Sale of traded goods	1,584.31	1,666.84
		182,615.97	160,986.04
	Revenue disaggregation by segment is as follows:		
	Software development and services	178,167.42	156,278.24
	System integration and support services	4,448.55	4,707.80
		182,615.97	160,986.04
	Revenue disaggregation by geography is as follows:		
	India	24,201.39	19,234.99
	US	66,719.81	55,775.55
	Europe	64,429.71	65,865.16
	Others	27,265.06	20,110.34
		182,615.97	160,986.04
22	**OTHER INCOME (NET)**		
	a) Interest income:		
	i) Interest from banks on deposits	2,852.18	3,271.38
	ii) Interest income on financial assets at amortised cost	49.24	39.76
	b) Other gains and losses:		
	i) Net gain on foreign currency transactions	222.60	1,921.35
	ii) Net (loss) / gain arising on financial assets measured at fair value through profit or loss	386.73	(631.24)
	iii) (Loss) / gain on sale of property, plant and equipment	(1.43)	2.72
	c) Other non-operating income:		
	i) Export and other incentives/credits	128.36	1,099.74
	ii) Miscellaneous income	338.84	137.54
		3,976.52	5,841.25
23	**COST OF MATERIALS CONSUMED**		
	Spares, consumables and others	7,335.46	6,854.84
	Purchase of traded goods - computers, networking and storage systems and components and parts	1,203.75	1,257.67
		8,539.21	8,112.51
24	**CHANGES IN INVENTORIES OF STOCK IN TRADE**		
	Inventories at the end of the year:		
	Stock-in-trade - components and spares	6.29	171.20
	Inventories at the beginning of the period:		
	Stock-in-trade - components and spares	171.20	166.23
	Net decrease / (increase)	**164.91**	(4.97)

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

₹ lakhs

		For the year ended March 31, 2021	For the year ended March 31, 2020
25	**EMPLOYEE BENEFITS EXPENSE**		
	Salaries and wages	95,181.72	87,660.50
	Contribution to provident and other funds	3,725.77	3,129.37
	Staff welfare expenses	3,544.85	4,296.89
		102,452.34	95,086.76
26	**OTHER EXPENSES**		
	Operating lease rentals (Refer note 2.6)	82.86	137.04
	Rates and taxes	166.44	515.34
	Power and fuel	705.84	896.33
	Repairs and maintenance : Building	428.35	447.37
	: Plant and equipment	996.52	945.27
	: Others	615.20	702.70
	Communication expenses	594.06	735.65
	Inland travel and conveyance	202.15	790.69
	Overseas travel	2,694.50	6,802.63
	Advertisement and sales promotion expenses	671.33	839.46
	Commission on sales	637.57	417.05
	Printing and stationery	30.22	45.79
	Motor vehicle expenses	177.93	318.57
	Recruitment and training	321.13	261.69
	Consultant fees for software development	7,153.66	7,012.68
	Expenditure on corporate social responsibility	580.56	554.25
	Legal and professional charges	1,084.17	1,004.32
	Non-Executive directors commission	400.00	312.00
	Insurance	230.68	182.70
	Bank and other charges	112.07	125.13
	Auditors' remuneration	60.84	53.90
	Bad debts/advances written off	669.31	31.08
	Provision for doubtful debts /Claims receivables (Net)	498.51	227.77
	Miscellaneous expenses	104.18	131.94
		19,218.08	23,491.35
	Note (i): Payments to the auditors excluding service tax, comprises:		
	As auditors - statutory audit	50.00	45.00
	Company law matters	1.00	1.00
	Other services	8.00	4.00
	Reimbursement of expenses	1.84	3.90
		60.84	53.90

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

27. Income tax expense

₹ lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Income tax expenses:		
Current tax	14,320.00	9513.00
Deferred tax	54.48	121.03
Income tax included in Other comprehensive income:		
Remeasurement of employee defined benefit plans	(173.48)	(229.03)
Tax expense for the year	**14,201.00**	9,405.00

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

₹ lakhs

	Year ended March 31, 2021	Year ended March 31, 2020
Profit before tax	51,186.67	35,244.04
Expected income tax expense calculated at 34.944% (PY 34.944%)	17,886.67	12,315.68
Effect of expenses that are not deductible in determining taxable profit and foreign tax credit	406.42	494.10
Effect of concessions	(3,918.61)	(3,175.75)
Income tax expense recognised in profit or loss	**14,374.48**	9,634.03

The tax rate used for 2020-21 reconciliation above is the corporate tax rate of 34.944% (PY 34.944%) payable by corporate entities in India on taxable profits under Indian tax law.

The Company benefits from the tax holiday available for units set up under the Special Economic Zone Act, 2005. These tax holidays are available for a period of fifteen years from the date of commencement of operations. Under the SEZ scheme, the units which begins providing services on or after April 1, 2005 will be eligible for deductions of 100% of profits or gains derived from export of services for the first five years, 50% of such profit or gains for a further period of five years and 50% of such profits or gains for the balance period of five years subject to fulfilment of certain conditions. Pune unit 1, Thiruvananthapuram, Chennai unit and Pune Unit 2, will be eligible for deductions of 100% of profits or gains derived from export of services for the first five years, 50% of such profit or gains for a further period of five years and 50% of such profits or gains for the balance period of five years subject to fulfilment of certain conditions.

B. Significant components of net deferred tax assets and liabilities for the years ended March 31, 2021 and March 31, 2020 are as follows:

₹ lakhs

Particulars	As at 1 April 2020	Recognised in statement of profit and loss	Recognised in Other comprehensive Income	As at 31 March 2021
Deferred tax assets:				
Provision for doubtful trade receivables/ Claims receivable	179.94	81.68	-	261.62
Employee Benefits	691.42	(154.22)	173.48	710.68
Lease liabilities (Net right of use assets)	237.54	48.03	-	285.57
Deferred tax liabilities:				
Property, Plant and equipments	(232.07)	(29.97)	-	(262.04)
	876.83	**(54.48)**	**173.48**	**995.83**

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

₹ lakhs

Particulars	As at 1 April 2019	Recognised in statement of profit and loss	Recognised in Other comprehensive Income	Adjusted in reserve	As at 31 March 2020
Deferred tax assets:					
Provision for doubtful trade receivables/Claims receivable	100.36	79.58	-	-	179.94
Employee Benefits	602.37	(139.98)	229.03	-	691.42
Lease liabilities (Net right of use assets)	-	65.71	-	171.83	237.54
Deferred tax liabilities:					
Property, Plant and equipments	(105.73)	(126.34)	-	-	(232.07)
	597.00	**(121.03)**	**229.03**	**171.83**	**876.83**

28. Earnings per share

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Earnings per share		
Basic		
Net profit / (loss) for the year attributable to the equity shareholders (₹ lakhs)	36,812.19	25,610.01
Weighted average number of equity shares	6,22,76,440	6,22,76,440
Par value per share (₹)	10	10
Earnings per share - basic and diluted (₹)	59.11	41.12

29. Employee benefit plans

a. Defined contribution plans

The Company makes Provident Fund, Superannuation Fund, Compensated Absences Pension 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) ₹ 2,201.36 lakhs and ₹ 1,899.33 lakhs for Provident Fund contributions for the year ended March 31, 2021 and March 31, 2020, respectively. ii) ₹ 963.27 lakhs and ₹ 809.95 lakhs for Superannuation Fund contributions for the year ended March 31, 2021 and March 31, 2020, respectively. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

b. Defined benefit plans

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

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

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

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

₹ lakhs

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
Change in defined benefit obligations		
Present value of DBO at beginning of the year	3,863.38	3,162.06
Current service cost	533.98	416.40
Interest cost	263.48	236.20
Remeasurement of the net defined benefit liability	334.55	509.64
Benefits paid	(274.51)	(460.92)
Present value of DBO at the end of the year	4,720.88	3,863.38
Change in fair value of plan assets during the year		
Fair value of plan assets at beginning of the year	3,818.74	3,032.67
Interest Income	260.44	226.54
Employer's Contribution	1,041.53	1,016.67
Remeasurement -return on plan assets excluding amount included in interest income	33.11	3.78
Benefits paid	(274.52)	(460.92)
Plan assets at the end of the year	4,879.30	3,818.74
Funded status		
Deficit of plan assets over obligations	-	(44.65)
Surplus of plan assets over obligations	158.42	-
Category of Assets		
Insurer managed funds	4,879.30	3,032.67
Service Cost	533.98	416.40
Net interest on net defined benefit (assets)/liability	3.04	9.66
Net periodic gratuity cost	537.02	426.06
Actual return on plan assets	260.44	226.54
Actuarial (gains) and losses arising from changes in financial assumptions	130.61	173.64
Actuarial losses and (gains) arising from changes in experience adjustments	203.93	336.00
Remeasurement of the net defined benefit liability	334.55	509.64
Remeasurement - return on plan as sets excluding amount included in interest income	(33.11)	(3.78)
Total	**301.44**	505.86

	For the year ended 31-Mar-21	For the year ended 31-Mar-20
Actuarial assumptions for long-term compensated absences		
Discount rate	6.44%	6.82%
Expected return on plan assets	6.44%	6.82%
Salary escalation	5.00%	5.00%
Attrition : If past service <5 years	10.00%	10.00%
: If past service >5 years	8.00%	8.00%

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

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, 2021. The Company is expected to contribute ₹ 474.69 lakhs to defined benefit obligations funds for the year ended March 31, 2022.

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

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

If the discount rate increases (decreases) by 1%, the defined benefit obligations would decrease by ₹ 329.43 lakhs (increase by ₹379.72 lakhs) as at March 31, 2021. If the expected salary growth increases (decreases) by 1%, the defined benefit obligations would increase by ₹ 381.42 lakhs (decrease by ₹ 336.63 lakhs) as at March 31, 2021. If the employee turnover rate increases (decreases) by 1%, the defined benefit obligation would increase by ₹ 27.07 lakhs (decrease by ₹ 32.38 lakhs).

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

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

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

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

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

The defined benefit obligations shall mature after year ended March 31, 2021 as follows.

₹ lakhs

Year ending March 31,	Defined benefit obligations
2022	464.28
2023	390.03
2024	462.97
2025	448.14
2025	403.30
Thereafter	6,498.82

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

30. Financial instruments- Fair values and Risk management

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

(a) Financial assets and liabilities

The carrying value of financial instruments by categories as of March 31, 2021 is as follows:

₹ lakhs

Particulars	Derivative instruments not in hedging relationship	Amortised cost	Total carrying value
Assets:			
Trade receivables	-	40,225.83	40,225.83
Cash and cash equivalents	-	10,041.73	10,041.73
Other bank balances	-	75,920.25	75,920.25
Loans	-	90.51	90.51
Unbilled revenue	-	6,131.59	6,131.59
Other financial assets (Including Loans receivable)	98.66	13,376.26	13,474.92
Total	**98.66**	**1,45,786.17**	**1,45,884.83**
Liabilities:			
Lease liabilities	-	7,320.99	7,320.99
Trade payables	-	5,613.07	5,613.07
Other financial liabilities	-	5,359.80	5,359.80
Total	**-**	**18,293.86**	**18,293.86**

The carrying value of financial instruments by categories as of March 31, 2020 is as follows:

₹ lakhs

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

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

(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, 2021	Level 1	Level 2	Level 3	Total
Financial assets/liabilities:				
Derivative financial assets		98.66		98.66
Derivative financial liabilities		-		-

₹ lakhs

As at March 31, 2020	Level 1	Level 2	Level 3	Total
Financial assets/liabilities:				
Derivative financial assets		90.34		90.34
Derivative financial liabilities		378.41		378.41

(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.

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

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 ₹ 85,440.40 lakhs held with five schedule banks having high credit–rating which are individually in excess of 10% or more of the company bank deposits for the year ended March 31, 2021. Trade receivables and unbilled revenue include an amount of ₹ 5,901.77 lakhs held with one customer (related party of the Company) 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, 2021.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to the credit risk was₹ 1,45,884.83 lakhs and ₹ 1,15,873.31 lakhs as at March 31, 2021 and March 31, 2020, 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, 2021 and March 31, 2020, 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:

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

Country	As at March 31, 2021		As at March 31, 2020	
	Gross %	Net %	Gross %	Net %
United Kingdom	31.78%	32.25%	25.47%	25.69%
United States of America	31.31%	31.78%	24.72%	24.93%
India	28.33%	27.42%	24.20%	23.47%
Others	8.58%	8.55%	25.61%	25.91%

ii) Liquidity risk:

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

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

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

₹ lakhs

Non-derivative financial liabilities:	Due in year 1	Due in year 1-3 years	More than 3 years	Total
March 31, 2021				
Trade payables	5,613.07	-	-	5,613.07
Other financial liabilities	5,359.80	-	-	5,359.80
Lease liabilities	1,563.24	2,502.53	3,255.22	7,320.99
Total	**12,536.11**	**2,502.53**	**3,255.22**	**18,293.86**

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

₹ lakhs

Non-derivative financial liabilities:	Due in year 1	Due in year 1-3 years	More than 3 years	Total
March 31, 2020				
Trade payables	4,713.20	-	-	4,713.20
Other financial liabilities	4,669.41	-	-	4,669.41
Lease liabilities	1,803.46	2,192.37	3,541.48	7537.31
Total	**11,186.07**	**2,192.37**	**3,541.48**	**16,919.92**

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 IND AS FINANCIAL STATEMENTS

The following table sets forth information relating to foreign currency exposures as at March 31, 2021 and March 31, 2020.

₹ lakhs

March 31, 2021	USD	GBP	EUR	Others*	Total
Total financial assets	23,678.67	11,011.88	10,311.11	4,750.26	49,751.92
Total financial liabilities	3,100.47	1,211.43	998.55	1,026.43	6,336.88

₹ lakhs

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

10% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the company would result in decrease/ increase in the company's profit before tax by approximately ₹ 4,341.50 lakhs for the year ended March 31, 2021 and ₹ 4,545.34 lakhs for the year ended March 31, 2020 respectively.

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

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

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

March 31, 2021

Foreign Currency	No of contracts	Notional amount of contracts (Currency value in lakhs)	MTM Values (₹ lakhs)
US Dollar	4	166.00	36.03
Sterling Pound	4	51.00	9.68
Euro	4	45.00	52.95

March 31, 2020

Foreign Currency	No of contracts	Notional amount of contracts (Currency value in lakhs)	MTM Values (₹ lakhs)
US Dollar	7	190	-369.71
Sterling Pound	6	70	90.34
Euro	7	65	-8.7

Considering the current COVID-19 situation, we have analysed the credit risk and the consequential delay in realisation from our customers. This assessment is based on market outlook and the financial strength of the customers in respect of whom amounts are receivable. Based on our assessment, the valuation of receivable, unbilled receivable, contract assets and the provision for doubtful trade receivables as at March 31, 2021 is considered adequate. The Company continues to closely monitor the business outlook and the financial stress in the market and shall consider taking appropriate steps as may be needed to secure the financial interests of the Company.

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

31. Related party transactions

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

Names of related parties	Description of relationship
Tata Sons Private Limited	Company with Controlling Interest
Mr. Manoj Raghavan, Managing Director	Key Managerial Personnel
Mr. Muralidharan HV, Chief Financial Officer	Key Managerial Personnel.
Ms. Bhavana Muralidharan	Relative of Key Managerial Personnel.
Mr. G. Vaidyanathan, Company Secretary	Key Managerial Personnel
Non-Executive Directors	
Mr. N. G. Subramaniam	Key Managerial Personnel
Prof. M. S. Ananth (till 15-Nov-20)	Key Managerial Personnel
Mrs. Shyamala Gopinath	Key Managerial Personnel
Mr. Sudhakar Rao	Key Managerial Personnel
Mr. Ankur Verma	Key Managerial Personnel
Prof. Anurag Kumar (w.e.f 15-Nov-20)	Key Managerial Personnel
Tata Elxsi Employees' Gratuity Fund Trust	Post-employment benefit plans of the Company
Tata Elxsi Employees' Provident Fund Trust	Post-employment benefit plans of the Company
Tata Elxsi Employees' Superannuation Fund Trust	Post-employment benefit plans of the Company
Jaguar Land Rover Limited (w.e.f 01-Dec -20)	Group entity
Tata Advanced Materials Limited	Group entity
Tata Communications Transformation Services Limited	Group entity
Tata International West Asia DMCC	Group entity
Tata Teleservices (Maharashtra) Limited	Group entity
Tata Advanced Systems Limited	Group entity
Tata Aig General Insurance Company Limited	Group entity
Tata Autocomp Systems Limited	Group entity
Tata Communications Limited	Group entity
Tata Consultancy Services Limited	Group entity
Tata Housing Development Company Limited	Group entity
Tata Investments Corporation Limited	Group entity
Tata Limited	Group entity
Tata Teleservices Limited	Group entity
Tata AIA Life Insurance Company Limited. (w.e.f 01-Dec -20)	Group entity
Tata Chemicals Limited. (w.e.f 01-Dec -20)	Group entity
Tata Consumer Products Limited (w.e.f 01-Dec -20)	Group entity
Tata Electronics Private Limited (w.e.f 01-Dec -20)	Group entity
Tata Ficosa Automotive Systems Private Limited (w.e.f 01-Dec -20)	Group entity
Tata industries Limited (w.e.f 01-Dec -20)	Group entity
Tata Marcopolo Motors Limited (w.e.f 01-Dec -20)	Group entity
Tata Motors Limited (w.e.f 01-Dec -20)	Group entity
Tata Power Solar Systems Limited (w.e.f 01-Dec -20)	Group entity
Tata Steel Limited (w.e.f 01-Dec -20)	Group entity
Tata Technologies Limited (w.e.f 01-Dec -20)	Group entity
The Indian Hotels Company Limited	Group entity
The Tata Power Company Limited (w.e.f 01-Dec -20)	Group entity
Voltas Limited (w.e.f 01-Dec -20)	Group entity
Infiniti Retail Limited	Group entity

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

Details of related party transactions:

The transactions during the year ended March 31, 2021 and balances outstanding as at March 31, 2021

₹ lakhs

Particulars	Company with significant influence	Key Managerial Personnel	Relative Key Managerial Personnel	Group Entities	Other related parties	Total
Revenue from operations	35.26	-	-	9,484.74	-	**9,520.00**
Dividend paid	4,338.72	-	-	236.78	-	**4,575.50**
Purchase of goods, services (including reimbursement)	5.39	-	-	841.50	-	**846.89**
Receiving of services - Brand fee and other services	476.54	-	-	-	-	**476.54**
Remuneration and commission (refer note-1 below)	-	674.04	44.47	-	-	**718.51**
Commission and sitting fee	-	409.15	-	-	-	**409.15**
Contribution to employees' post employment plan	-	-	-	-	4,946.14	**4,946.14**
Balances outstanding at the end of the year:						
Trade receivable	-	-	-	5,715.54	-	**5,715.54**
Trade payable	476.54	-	-	33.86	-	**510.40**
Other payables	-	650.00	-	-	389.70	**1,039.70**

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

₹ lakhs

Particulars	Company with significant influence	Key Managerial Personnel	Relative Key Managerial Personnel	Group Entities	Other related parties	Total
Revenue from operations	-	-	-	220.85	-	**220.85**
Dividend paid	3,549.86	-	-	193.72	-	**3,743.58**
Purchase of goods, services (including reimbursement)	1.26	-	-	769.16	-	**770.42**
Receiving of services - Brand fee and other services	402.47	-	-	-	-	**402.47**
Remuneration and commission (refer note-1 below)	-	672.46	35.26	-	-	**707.72**
Commission and sitting fee	-	322.05	-	-	-	**322.05**
Contribution to employees' post employment plan	-	-	-	-	4,389.47	**4389.47**
Balances outstanding at the end of the year:						
Trade receivable	-	-	-	45.00	-	**45.00**
Trade payable	402.27	-	-	32.05	-	**434.32**
Other payables	-	450.00	-	-	338.24	**788.24**

Note-1: The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends. The above figures do not include provisions for compensated absences leave, gratuity and premium paid for group health insurance as separate actuarial valuation / premium paid are not available.

Note-2: All transactions with these related parties are priced on an arm's length basis.

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

32. Ind AS 116

(a) Impact on transition to Ind AS 116 for the year ended 31 March 2020

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

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

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

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

Right-of-use assets

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

₹ lakhs

		Land and buildings
a.	Balance as at 1 April 2020	5,183.27
b.	Additions to right of use asset	3,271.98
c.	Depreciation charge for the year	(1,942.19)
d.	De-recognition of right of use assets	(1,093.94)
e.	Accumulated depreciation on “d” above	1,090.30
f.	Balance as at 31 March 2021	6,509.42

Other disclosure w.r.t. leases:

- Interest expense (included in finance cost) amounts to ₹ 593.19 lakhs.
- The total cash outflow for the year ended 31 March 2021 amounts to ₹ 2,370.57 lakhs.
- The Company incurred ₹ 82.86 lakhs for the year ended 31 March 2021 towards expenses relating to lease of low-value assets.

Lease liabilities

Maturity analysis – contractual discounted cash flows

₹ lakhs

		Contractual cash flows			
	Carrying amount	Total	0-1 years	1-5 years	5 years and above
Lease liabilities	7,320.99	9,430.20	2,155.89	5,696.16	1,578.15

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

33. Contingent liabilities and Commitments:

₹ lakhs

Contingent liabilities and commitments (to the extent not provided for)	As at March 31, 2021	As at March 31, 2020
(i) Contingent liabilities:		
Claims against the Company not acknowledged as debt		
Disputed demands for Income Tax aggregates.	2,997.42	3,107.22

Notes:

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

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

₹ lakhs

	As at March 31, 2021	As at March 31, 2020
Capital commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for		
Property, plant and equipment	204.20	290.31
Intangible assets- Computer Software	222.83	378.26

34. Segment information

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

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

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

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

₹ lakhs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Segment revenue		
Software development & services	1,78,167.42	1,56,278.24
System integration & support services	4,448.55	4,707.80
Total	**1,82,615.97**	1,60,986.04

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

₹ lakhs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Segment results		
Software development & services	55,179.02	40,963.38
System integration & support services	364.81	592.82
Total	**55,543.83**	41,556.20
Less: Finance costs	593.19	556.26
Less: Unallocable expenditure (net of unallocable income)	3,763.97	5,755.90
Profit before tax	**51,186.67**	35,244.04
Tax expense	14,374.48	9,634.03
Net profit for the period / year	**36,812.19**	25,610.01
Segment assets		
Software development & services	63,783.04	69,035.66
System integration & support services	1,448.29	1,371.74
Unallocable assets	1,06,437.93	68,490.74
Total	**1,71,669.26**	1,38,898.14
Segment liabilities		
Software development & services	26,957.63	22,168.44
System integration & support services	651.34	747.63
Unallocable liabilities	8,843.14	6,978.54
Total	**36,452.11**	29,894.61

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

₹ lakhs

Geographic Segment	Revenues	Non-current operating assets	Revenues	Non-current operating assets
	For the year ended March 31, 2021	As at March 31, 2021	For the year ended March 31, 2020	As at March 31, 2020
India	24,201.39	31,503.17	19,235.00	16,201.04
US	66,719.81	17.13	55,370.64	12.52
Europe	64,429.71	8.69	65,865.16	4.49
Others	27,265.06	7.51	20,515.24	0.30
Total	**1,82,615.97**	**31,536.50**	1,60,986.04	16,218.35

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

Information about major customers:

The revenues of ₹1,78,167.42 (Previous year ₹1,56,278.24) lakhs arising from the software development and services segment includes ₹42,556.58 (Previous year ₹25,895.35) lakhs representing revenue of more than 10% of the total revenue of the Company is from two customers. .

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

35. Ind AS 115 - Revenue

A. Contract balances

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

₹ lakhs

	As at March 31, 2021	As at March 31, 2020
Trade receivables	40,225.83	39,238.07
Unbilled receivables	6,131.59	7,602.22
Contract assets	2,579.88	1,351.90
Contract liabilities	2,744.83	2,958.62

The following table discloses the movement in contract assets during the year ended March 31, 2021:

	As at March 31, 2021
Balance at the beginning	1,351.91
Add: Revenue recognized during the year	16,676.10
Less: Invoiced during the year	(15,453.90)
Add: Translation gain	5.77
Balance at the end	**2,579.88**

The following table discloses the movement in contract liabilities revenue balances during the year ended March 31, 2021:

	As at March 31, 2021
Balance at the beginning	2,958.62
Less: Revenue recognized during the year	(25,075.04)
Add: Invoiced during the year	24,846.77
Add: Translation gain	14.48
Balance at the end	**2,744.83**

B. Remaining performance obligations

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

Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the Company's performance completed to date, typically those contracts where invoicing is on time and material, unit price basis and no information is provided about remaining performance obligations at March 31, 2021 that have an original expected duration of one year or less, as allowed by Ind AS 115.

The aggregate value of performance obligations that are completely or partially unsatisfied as of March 31, 2021 is ₹ 8,300.42 lakhs. Out of this, the Company expects to recognize revenue of around 73.66% within the next one year and the remaining thereafter. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment, the occurrence of the same is expected to be remote.

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

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

Particulars	As at March 31, 2021	As at March 31, 2020
	₹ lakhs	₹ lakhs
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	1,853.30	1,682.14
(iv) The amount of interest due and payable for the year		
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

37. Corporate Social Responsibility:

a. Gross amount required to be spent by the Company during the year ₹ 610.55 lakhs (March 31, 2020 ₹ 582.42 lakhs)

b. Amount spent during the year on:

₹ lakhs

Particulars	For the year ended March 31, 2021			For the year ended March 31, 2020		
	In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
Construction/acquisition of any asset	Nil	Nil	Nil	Nil	Nil	Nil
On purpose other than above	402.45	208.10	610.55*	582.42	Nil	582.42*

* Includes overhead expense of ₹30.53 lakhs (March 31, 2020 ₹28.00 lakhs)

38. The Company had entered into incubation agreement for providing services pertaining to promotion of business of the entrepreneurs and also providing infrastructure facilities and resources. In consideration for the services rendered shares has been allocated /transferred as under. These investments are valued at fair value through profit and loss.

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/-.

39. The sitting fee and commission for non-executive directors is ₹ 409.15 lakhs and ₹ 322.05 lakhs for the financial year 2020-21 and 2019-20 respectively.

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

40. During the previous year, the board had approved for special retiral benefits to the Managing Director who retired in October 2019. Accordingly, the Company had made a provision of ₹ 2,163 lakhs towards future pension and medical benefits by giving corresponding charge in the statement of profit and loss under employee benefit expense. The pension liability is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the date of each statement of financial position.

Actuarial assumptions for pension liability	For the year ended March 31, 2021	For the year ended March 31, 2020
Discount rate	6.44%	6.82%
Pension escalation	3.00%	3.00%

41. Dividends

During the year ended March 31, 2021, the Company paid total dividends at ₹ 16.50 per equity share for the year ended March 31, 2020.

Dividends declared by the Company are based on the profit available for distribution. Distribution of dividend out of General Reserve and Retained earnings.

Subsequent event note

On April 22, 2021, the Board of Directors of the Company have proposed a dividend of ₹ 24.00 and special dividend of ₹ 24.00 per share in respect of the year ended March 31, 2021 subject to the approval of shareholders at the Annual General Meeting.

As per our report of even date attached

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

Sanjay Sharma
Partner
Membership No.: 063980

Bengaluru, April 22, 2021

for and on behalf of the Board

N G Subramaniam	*DIN: 07006215*	*Chairman*
Manoj Raghavan	*DIN: 0008458315*	*Managing Director*
Muralidharan H V		*Chief Financial Officer*
G.Vaidyanathan		*Company Secretary*

Bengaluru, April 22, 2021

SIGNIFICANT THREE YEARS HIGHLIGHT

₹ crores

	31.03.2021	31.03.2020	31.03.2019
Income			
Revenue from operations	1826.15	1609.86	1596.93
Other Income	39.77	58.41	43.46
Total	**1865.92**	1668.27	1640.39
Expenditure			
Cost of sales	87.04	81.08	98.90
Personnel expenses	1024.53	950.87	842.58
Finance costs	5.93	5.56	0.00
Depreciation / amortisation expense	44.38	43.41	25.10
Other expenses	192.18	234.91	240.42
Total expenditure	**1354.06**	1315.83	1206.99
Profit before tax	511.86	352.44	433.40
Tax expense	143.74	96.34	143.43
Profit for the year	**368.12**	256.10	289.97

SIGNIFICANT RATIO ANALYSIS

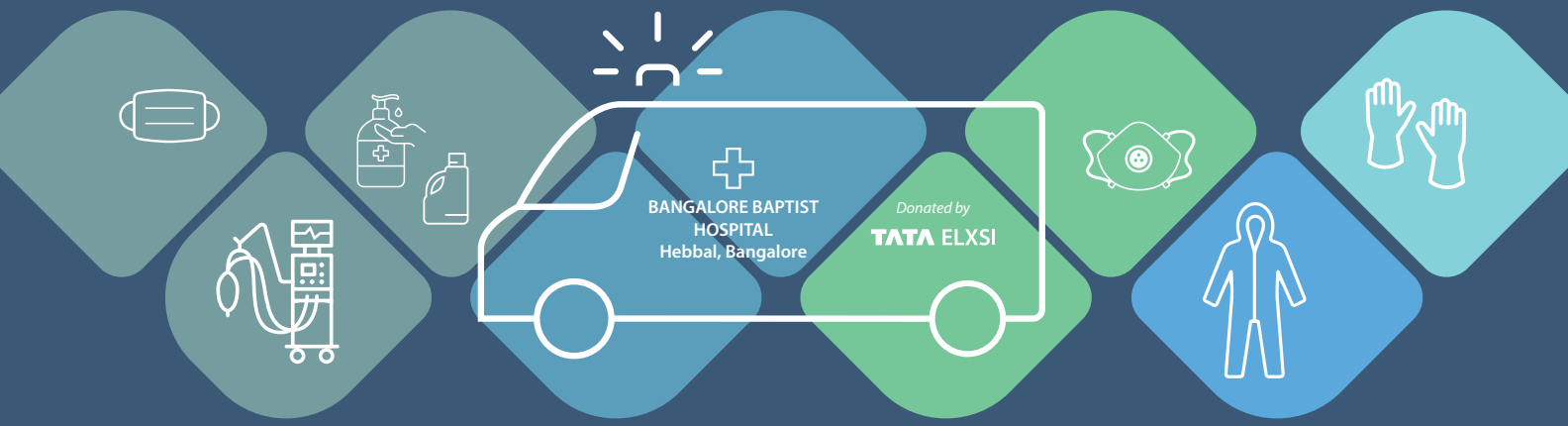
Particulars	Unit	31.03.2021	31.03.2020	31.03.2019
Earnings before interest, depreciation and tax/Sales	%	30.78	24.93	28.71
Profit before taxes/Sales	%	28.03	21.89	27.14
Profit after taxes/Sales	%	20.16	15.91	18.16
Current Ratio	No. of Times	5.26	5.53	5.39
Debt Equity Ratio	%	-	-	-
Earnings per share	₹	59.11	41.12	46.56
Dividend per share	₹	48	16.5	13.5
Book Value per share	₹	217.12	175.03	151.38
Return on Net Worth	%	27.22	23.49	30.76

NOTES

OUR RESPONSE TO COVID-19

COVID-19 RELIEF MEASURES

- Delivered 35000 surgical masks, 8500 N 95 masks, 100 PPE kits, 1250 litres of Sterilium liquid, and 5250 liters of Sodium Hypochlorite solution to Sassoon Hospital
- Enabled Bangalore Baptist Mission hospital to procure Masks, Gloves, Aprons, PPE kits, Corona kits, Sanitizers, Surgical supplies
- Sponsored food for migrant workers in Mumbai and provided food to all the doctors and support staff of Victoria Hospital, Bangalore
- Sponsored the cost of Masks, Gloves, Aprons, PPE kits, Corona kits, Sanitizers, etc. to General Hospital Trivandrum
- Provided Masks, Gloves, Aprons, PPE Kits, Corona kits, Sanitizers, etc. to Government Medical College, Trivandrum
- Supplied PPE kits, Sanitizers, etc. to Adyar Cancer Hospital, Chennai
- Suppled a Tata Winger vehicle to Bangalore Baptist Hospital for helping the medical staff to reach out to more patients during the pandemic
- Provided ration to 1000 students in Bangalore for a month during the pandemic through Samarthanam Trust



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