

1997 - 98 Ninth Annual Report

Report



TATA
ELXSI

Engineering the Information Revolution www.tatanelxsi.com

TATA ELXSI (INDIA) LIMITED

DIRECTORS

F.C. KOHLI *Chairman*
K. M. CHINNAPPA
BRIG. K BALASUBRAMANIAM
E.A.K. FAIZULLABHOY
S. GUPTA
P. McGOLDRICK
C.P. MISTRY
S. RAMADORAI
S.D. PRADHAN
S . DEVARAJAN *Executive Director*

**GENERAL MANAGER (FINANCE)
& COMPANY SECRETARY**

V. RAMAKRISHNAN

AUDITORS

M/s. RATAN S. MAMA & CO.
Chartered Accountants

REGISTERED OFFICE

123, RICHMOND ROAD
BANGALORE - 560 025

BANKERS

CANARA BANK
THE VYSYA BANK LIMITED
GLOBAL TRUST BANK LIMITED

LEGAL ADVISORS

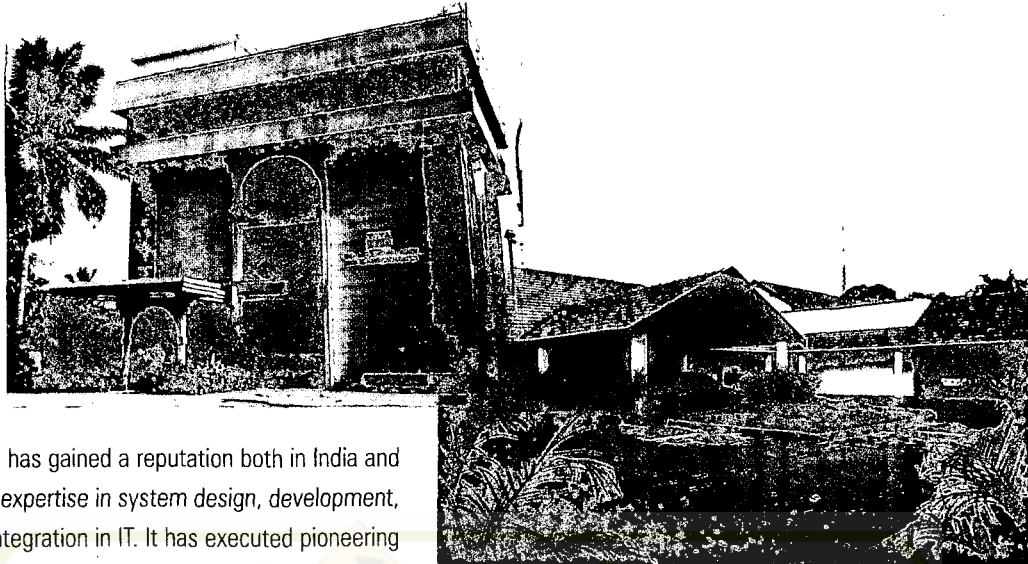
M/s. MULLA & MULLA AND CRAIGIE, BLUNT & CAROE
S.R. VAKIL

REGISTRARS & SHARE TRANSFER AGENTS

TATA CONSULTANCY SERVICES
Lotus House, 6, Sir Vithaldas Thackersey Marg
Mumbai - 400 020
Tel : (022) 2039136 / 2039189 Fax : (022) 2016689

About Tata Elxsi

MD		BKC	
CS		DPY	NA
RO		DIV	NA
TRA		AC	NA
AGM		SEI	NA
YE			



Tata Elxsi has gained a reputation both in India and abroad, for expertise in system design, development, and integration in IT. It has executed pioneering projects in fields as diverse as fundamental science, medicine, manufacturing, entertainment, and much more. Clients, many of whom are global leaders in their fields, recognise in Tata Elxsi a kindred philosophy of excellence. As is evident from the ISO quality certification, and innovative processes that help customers integrate their systems or engineer new products. And thus gain a competitive advantage through better productivity.

But Tata Elxsi's real edge are its talented professionals who have the skills to go deep within a system, understand it, and integrate or redesign it. And if necessary, even develop new systems from scratch, including hardware. In other words, Tata Elxsi is a company that is helping engineer the revolution in Information Technology.

Tata Elxsi (India) Limited is a part of the TATA group, a US \$10billion industrial conglomerate. Founded over a century ago, the TATAs are now Indian industry leaders in fields as diverse as automobiles, agro industries, metals, consumer products, finance, services, exports, IT & communications, energy, pharmaceuticals, chemicals, and engineering.

Tata Elxsi is a customer driven IT company offering systems integration solutions in the Indian market, and design and development services in the international market. The Tata group holds 40% of its equity & the rest is held by the public. Established in 1989 at Bangalore, India, Tata Elxsi has grown to an employee strength of over 500 working at 15 sales and support offices countrywide, representative offices in USA and Japan, and four Design & Development Centres in Bangalore.

Systems Design, Development & Integration

Systems Integration solutions are offered mainly to the domestic market, in:

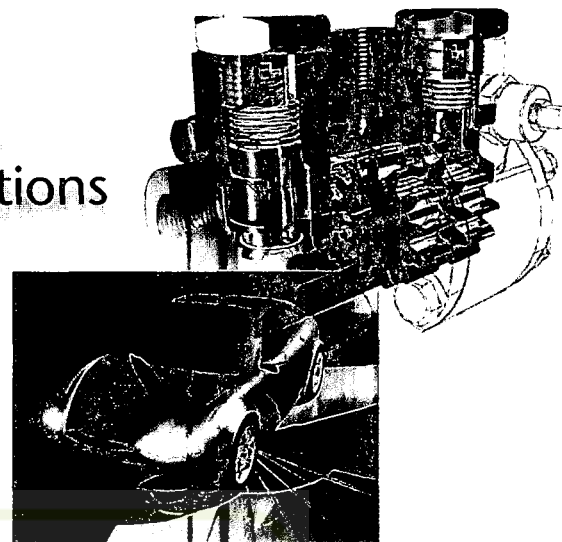
- ☐ CAD/CAM
- ☐ Film, Video & Broadcast
- ☐ Network Design & Implementation
- ☐ Visual Computing
- ☐ Commercial Computing

These solutions are backed up by strategic alliances with international companies that include SGI, Compaq, Alias | Wavefront, Matra Datavision, SDRC, Multigen, Molecular Simulations, Bay Networks, Lucent Technologies, Discreet Logic and Division.

Design & Development Services are offered to clients in the international market, in:

- ☐ Visual Computing
- ☐ Networking & Communications
- ☐ Embedded Systems & Storage management
- ☐ Internet, Intranet & Groupware.

CAD/CAM Solutions



Having installed over 700 CAD/CAM systems, Tata Elxsi is India's undisputed market leader in CAD/CAM. Solutions are offered in alliance with SDRC, Matra Datavision, Alias | Wavefront and MSC. They range from Concept Design & Styling to Detail Design, Design Verification, Part Design, Digital Mockup, 2-5 axes Milling, Molding, Forging, Casting, Tooling, Turning and Reverse Engineering.

Film, Video & Broadcast

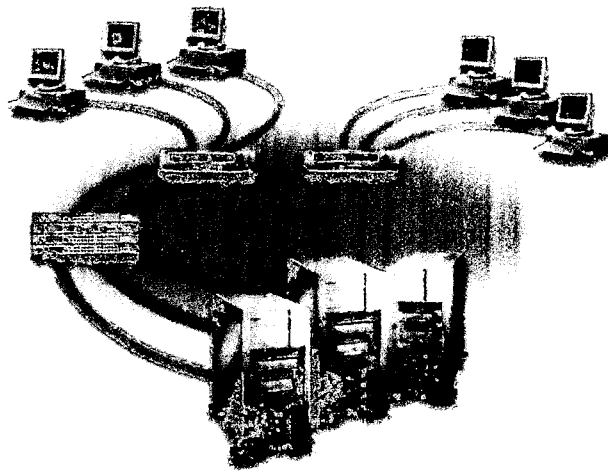
Tata Elxsi helps the Indian News & Entertainment industry create 3 dimensional characters and images for incorporation in ad commercials, films, multimedia promotional campaigns, broadcast interactive graphic images, maps & charts, and also provides tools to aid real-time on-line digital production.

Strategic alliances with industry leading companies like SGI, COMPAQ, Alias | Wavefront, Cambridge Animation and Discreet Logic means Indian customers get reliable, state-of-the-art products.

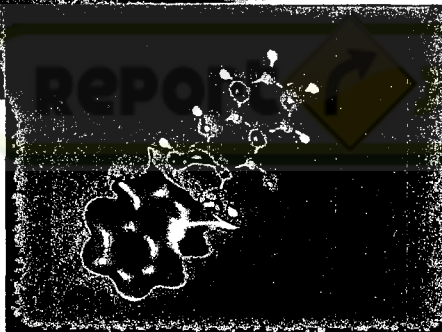


Network Design & Implementation

Tata Elxsi offers end-to-end networking and communications solutions that encompass study of user requirements, network design, Intranet development, cost-benefit analysis, network implementation including laying of cables, adapters etc., training and certification. Optimal and scalable solutions that completely meet current requirements are made possible through strategic tie-ups with world leaders like Bay Networks, Comsat Max and Lucent Technologies.



Visual & Technical Computing

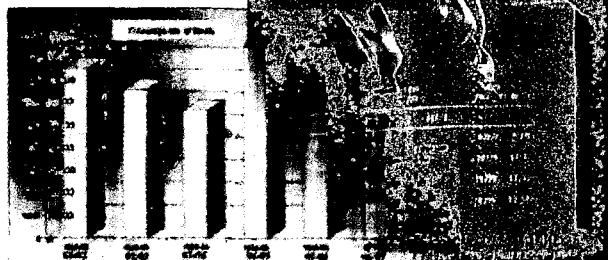


Tata Elxsi assists better research and education by using their core competence in multi-vendor systems integration to adapt heterogeneous systems and software to user needs. Partnered by global leaders that include SGI | Cray research, Molecular Simulations Inc. and Division, solutions are offered in :

- ☐ Visual Simulation and Virtual Reality
- ☐ Supercomputing Applications for leading edge applications in Weather Forecasting, Computational Physics, Fluid Dynamics, Astrophysics &
- ☐ Pharmaceutical Research and Computational Chemistry

Commercial Computing

The challenge of today's business environment is to extract useful information from ever-expanding data, and store the data in a reliable and secure environment. Tata Elxsi's expertise in Fault Tolerance systems and database integration, gives it an edge to satisfy the most demanding computational needs of customers that include leading stock exchanges and banks.



Design & Development Services

Clients worldwide have come to Tata Elxsi for development work in core technology areas, including systems design services, software development services and integration support. Tata Elxsi has worked on exciting projects like design of mission critical systems for aerospace applications, advanced data visualization for MRI & CT scans, fail-safe RAID systems, and Video conferencing solutions among others.

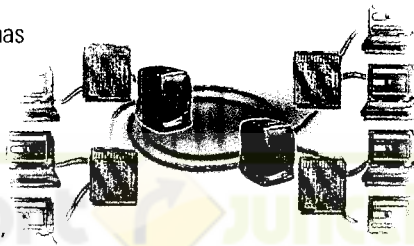


Visual Computing

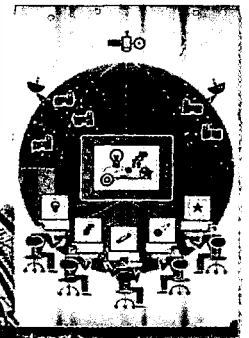
Engineers of the Visual Computing group at the Tata Elxsi Design Centre work on projects for customers who need to visualise data, be it medical, statistical, satellite or scientific. This group has extensively worked on 3-D graphics application development in the areas of Medical Imaging, Visual Simulation, Data Visualisation and Core Graphics API implementation.

Networking & Communication

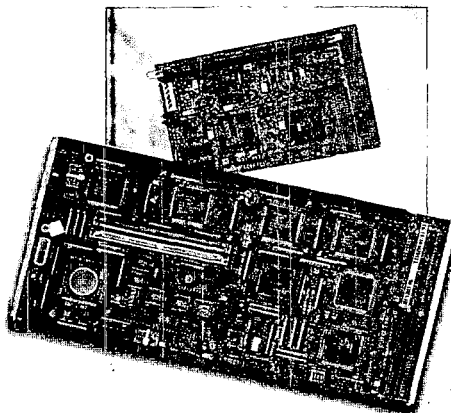
The need to make the internet pervasive has created a growing demand for standards based products and peripherals. The Networking and Communications group at Tata Elxsi's Design and Development Centre with core expertise in product and protocol stack development in ATM, ISDN, TCP/IP, SNMP and Internet Security, has the necessary experience to assist companies that need such development work.



Intranet, Internet & Groupware

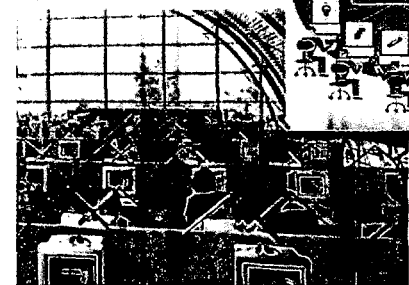


Embedded Systems & Storage Management



Customised solutions that integrate user needs appropriately, are the key drivers of the information revolution. The Embedded Systems and Storage Management group have the necessary expertise in hardware, firmware and systems software design and development to create such solutions. It has undertaken projects ranging from designing intelligent I/O controllers to real time embedded systems based on DSPs. The main focus areas are Video Transmission

systems, File and Storage Management Systems, Boards and Device drivers.



In this information age, there is a growing demand for web-enabling applications that help share global information easily, cutting across communication media. The Internet, Intranet and Groupware group has the skills to meet this demand. It is specialised in Web based programming on a number of platforms, and uses web-aware tools to seamlessly integrate Web and Database access, Graphics, and Distributed processing.

With over 85 % of the workforce being engineers / post graduates in computer science, and a customer loyalty track record of 60 % of orders being repeat, TATA Elxsi looks all set to be a key proponent in Engineering the Information Revolution.

NOTICE

Notice is hereby given that the NINTH ANNUAL GENERAL MEETING of TATA ELXSI (INDIA) LIMITED will be held on Friday, September 4, 1998 at 12.00 Noon at the Company's Design and Development premises located at Survey Nos. 128 and 128/2, Hoody, Mahadevpura Post, Whitefield Road, Bangalore-560 048, to transact the following business:

Ordinary Business

1. To consider and adopt the Directors' Report and the Audited Profit and Loss Account for the year ended March 31, 1998 and the Balance Sheet as at 31st March 1998.
2. To appoint a Director in place of Mr. F.C. Kohli who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr. S. Ramadorai who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. Patrick McGoldrick who retires by rotation and is eligible for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting and to fix their remuneration.

Special Business

6. To consider, and if thought fit, to pass the following Resolution, with or without modification, as a Special Resolution:

'RESOLVED that subject to the approval of the Central Government under Section 21 and other applicable provisions, if any, of the Companies Act, 1956, the name of the Company be changed from "Tata Elxsi (India) Limited" to "Tata Elxsi Limited" and accordingly the name "Tata Elxsi (India) Limited" wherever it appears in the Memorandum and Articles of Association and in all other records of the Company be substituted by the name "Tata Elxsi Limited".'

NOTES:

- a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- b) Members desirous of getting any information in respect of Accounts of the Company are requested to send their queries in writing to the Company at the Registered Office so as to reach atleast 7 days before the date of the meeting so that the required information can be made available at the Meeting.
- c) Members/Proxies should bring the Attendance Slip sent duly filled in for attending the Meeting.
- d) Members/Proxies attending the Meeting are requested to bring their copy of the Annual Report for reference at the Meeting.
- e) EXPLANATORY STATEMENT pursuant to Section 173(2) of the Companies Act, 1956 Item No. 6.

The Company is engaged, *inter alia*, in the business of software and hardware design and development. Most of this business is from overseas clients in the US, Japan and other countries. It is proposed that the name of the Company be changed from "Tata Elxsi (India) Limited" to "Tata Elxsi Limited" to reflect growth plans in the business of the Company.

The proposed change, if approved, would take effect after required approval from the Central Government is received and other formalities are completed.

If the change of name is approved, certificates of shares/securities already issued will not be called in for the purposes of exchange into certificates bearing the new name. The existing certificates will continue to be accepted for all purposes, as indicating entitlement to shares/securities of the Company.

The Directors recommend the adoption of Resolution No. 6 of the Notice. None of the Directors is in any way concerned or interested in the Resolution at Item No. 6 of the Notice except to the extent of their shareholding in the Company.

By Order of the Board of Directors
For and on behalf of
TATA ELXSI (INDIA) LIMITED

Mumbai, June 16, 1998.

Registered Office
123, Richmond Road
Bangalore - 560 025.

S. DEVARAJAN
Executive Director

1997-98

DIRECTORS' REPORT

1. Your Directors have pleasure in presenting the Ninth Annual Report together with the audited Statements of Accounts of the Company for the year ended March 31, 1998.

2. **Financial Highlights**

During the financial year 1997-98, the operations of the Company resulted in the following :

	(Rs. Lakhs)	
	1997-98	1996-97
Sales and Services	8080.49	7045.53
Other Income	97.81	78.47
	8178.30	7124.00
Profit/(Loss) before interest and depreciation	978.87	785.81
Less : Financial expenses	360.58	367.96
Depreciation	386.96	361.92
Net Profit/(Loss) for the year	231.33	55.93
Less : Income tax	24.29	—
Profit after tax	207.04	55.93
Less : Profit/(Loss) brought forward	(506.97)	(562.90)
Balance of Profit/(Loss) carried to Balance Sheet	(299.93)	(506.97)

3. **Operations**

Your Company's operations can be broadly grouped into two areas of business.

- Distribution, value-added reselling and provision of systems integration solutions based on UNIX and NT platforms, for domestic customers.
- Software and hardware design and development services, for overseas customers.

In the Systems Solutions business, for domestic customers, the Company offers solutions on the UNIX platform with hardware products from Silicon Graphics and a host of software products from leading international vendors. During the year the Company has also augmented its applications on the NT platform, through its relationship with Compaq.

During the year, the slowdown in the automobile industry and consequent reduction in their capital investment affected growth in business in CAD/CAM segment, in which the Company has been traditionally strong. However, the Company had several successes in the Film, Video and Broadcast segment. The Company also continued to maintain a dominant position in the Technical and Visual Computing segment. Nearly 50% of the business has been received from existing customers, signifying high level of customer satisfaction and confidence reposed in your Company. This has also been possible due to the combination of the technical strength of the products offered and increased market reach and technical support capabilities of your Company.