

Designing The Next



TATA ELXSI

Integrated Annual Report
2021-22

CORPORATE INFORMATION

as on April 20, 2022

BOARD OF DIRECTORS



MR. N. GANAPATHY SUBRAMANIAM
Chairman
(Non-Independent and
Non-Executive Director)



**MRS. SHYAMALA
GOPINATH**
Independent Non-Executive
Director



MR. SUDHAKAR RAO
Independent Non-Executive
Director



PROF. ANURAG KUMAR
Independent Non-Executive
Director



MR. ANKUR VERMA
Non-Independent and
Non-Executive Director



MR. MANOJ RAGHAVAN
CEO & Managing Director

COMMITTEES

AUDIT

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

NOMINATION & REMUNERATION

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

AUDITORS

BSR & Co. LLP
Chartered Accountants

STAKEHOLDERS' RELATIONSHIP

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

RISK MANAGEMENT

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

REGISTERED & CORPORATE OFFICE

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

CORPORATE SOCIAL RESPONSIBILITY

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

CHIEF FINANCIAL OFFICER

Mr. Gaurav Bajaj

COMPANY SECRETARY

Ms. Cauveri Sriram

REGISTRARS & SHARE TRANSFER AGENTS

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

BROWSE THE NEXT

04-50

COMPANY OVERVIEW

Chairman's Address	04
Glimpses of the Year that went by	08
Leading the Next	10
Intellectual Capital	20
Financial Capital	24
Service Capital	28
Human Capital	32
Natural Capital	36
Social and Relationship Capital	38

51-181

STATUTORY REPORTS & FINANCIAL STATEMENTS

Notice	51
Director Report to the Members	63
Management Discussion and Analysis	70
Annual Report on Corporate Social Responsibility	83
Secretarial Audit Report	87
Business Responsibility Report	91
Compliance Report on Corporate Governance	104
Independent Auditor's Certificate on Corporate Governance	120
Independent Auditor's Report	121
Balance Sheet	132
Statement of Profit and Loss	133
Statement of Changes in Equity	134
Statement of Cash Flow	135
Notes forming part of the Financial Statements	136
Significant Three Years' Highlights	181



For more investor related information
Scan this QR code

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

INVESTOR INFORMATION

Market Capitalisation as at March 31, 2022	₹ 55,05,330 Lakhs
CIN	L85110KA1989PLC009968
BSE Code	500408
NSE Symbol	TATAELXSI
Dividend Declared	₹ 42.50 per equity share
AGM Date	June 23, 2022 at 2.30 PM, IST
AGM Mode	Through Video Conferencing

Rs. 2,511 crores

REVENUE

YoY 37.5%



Rs. 549.67 crores

PROFIT AFTER TAX

YoY 49.3%



Rs. 88.26 crores

EARNINGS PER SHARE

YoY 49.3%



Rs. 257.1

BOOK VALUE PER SHARE

YoY 18.4%



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

Chairman's Address



Dear Stakeholders,

As I write this letter, I'm filled with pride for Tata Elxsi. Despite the current backdrop of geopolitical unrest and the pandemic, we progressed considerably in 2021-22. We swiftly adopted newer working methods and offered our team more flexibility, emphasising on their health and well-being. The pandemic helped us realise how robust our technology is, as we completed our turnaround, met our targets, and rose above the challenges to start the year on a strong footing.

The 2021-22 proved to be a busy year for Tata Elxsi as we witnessed overall growth across industries and key geographies and continued to execute strongly on both the top line and bottom line. Our differentiated offerings and design-led approach have helped us achieve the strongest growth in the Company's history. We grew our revenues, profit, margins, cash generation and returns on capital during 2021-22 with operating revenue of Rs. 2,471 crores.

OPERATIONS

Our Healthcare business continued to grow strongly, while both Transportation and Media and Communications reported another year of sustained growth. We also witnessed a sustained recovery in the automotive market as we won strategic deals with both OEMs and suppliers in EV and autonomous technologies, highlighting our technology and engineering leadership. Our strategic deals in digital health, OTT, and video platform deployment reflect our ability to support customers' product and technology transformation agendas in our key verticals.

I am pleased to share that your Company has won the OTT TV Technology of the Year Award at the VideoTech Innovation Awards 2021 for QoEtient – the proactive QoE Improvement platform. This is the first international award bagged by QoEtient.



Your Company also won the NASSCOM Engineering & Innovation Excellence Awards 2021 for Engineering Service Providers across all product categories. This testifies our ability to bring design and technology together, highlighting our leadership in each vertical we operate in.

OUR STRATEGY

We are focused on application areas that are expected to experience solid growth, driven by broad and long-term trends in digital technology. These trends require enablers – autonomous systems, robotics, securely connected machines and personal devices, digitalisation and electrification of automobiles and infrastructure, advanced communications equipment and networks and connected healthcare platforms. Tata Elxsi is one of the leading players in these technology areas, helping its customers in development of new products and services.

PRODUCTS, PARTNERSHIPS & ALLIANCES

In order to establish ourselves as a niche player in advanced technologies with the ability to scale and build efficiencies, we have expanded our portfolio of patents and IP solutions across industry segments. Our investments in IPs such as TEPlay, FalconEye, iCX, QoEtient, and Autonomai testify to our strong focus on delivering digital engineering-led transformation for our clientele. We have also been actively building partnerships and alliances with leading companies globally to bring the best value proposition to our customers. Our joint go-to-market initiatives have helped us quickly bring market-aligned solutions to our customers.

SUSTAINABILITY

We take great pride in our commitment to being a good corporate citizen and creating a positive impact for the communities we serve and the world. In line with this, your Company has committed itself to ambitious goals of halving its carbon footprint by 2025 and achieving 100% carbon neutrality by 2030. In line with our mission, we strive to create and innovate sustainability-led products and services that will help us deliver purpose-led transformative solutions to our customers.

EMPLOYEE ENGAGEMENT AND WELLBEING

During the pandemic, we have expanded our employee engagement in Health & Safety to include several new measures to counter stress and fatigue. These measures include access to

I am pleased to share that your Company has won the OTT TV Technology of the Year Award at the VideoTech Innovation Awards 2021 for QoEtient – the proactive QoE Improvement platform.

external counselling, updating insurance policies, and flexible work options. We have also tied up with leading providers to ensure the health & well-being of our employees.

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

LOOKING AHEAD

It is a privilege to pursue our passion for creating a better world by integrating our capabilities. We will remain focused on long-term growth which is the ultimate measure to generate value. To achieve this, we will invest in strengthening our competitive advantages, be disciplined in capital allocation and stay diligent in our pursuit of efficiencies. We firmly believe that when our employees, customers, communities, and shareholders win, we win with them.

I take this opportunity to also record my appreciation for my fellow directors for guiding the Company in these challenging times.

I am pleased to inform you that your Board of Directors has recommended a final dividend of 425% i.e. Rs. 42.50 per share, subject to tax, for your consideration.

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

Yours Sincerely,
N G Subramaniam



Designing The Next

Defines what we are, what we can be, and everything in between

OUR INDUSTRIES



Automobiles



Broadcast &
Media



Consumer
Appliances



Healthcare



Rail




Semiconductor



Telecommunications





In a fast-paced world, technology is the tool that overcomes the limitations of the present while building solutions catering to the future.

At Tata Elxsi, technology is how we touch millions of lives every day. It is the medium through which we design and build products, solutions, and ecosystems for customers and partners around the world – addressing their challenges and seizing opportunities while supporting a more sustainable world.

For decades, we have been seamlessly taking on challenges in the technology space to outdo the solutions we designed yesterday. In this fast-changing and extremely dynamic industry, we are our toughest competition. Our goal is to constantly innovate from the familiar and assist our partners and customers upgrade to solutions that belong to the future. There are multiple ways to explain what we do and how we do it, but we rather just define ourselves as the pioneers of

‘Designing The Next’

Glimpses of the Year that went by

★ ORDER WINS ⤴ COLLABORATIONS

AUTOMOBILES

EV ★

- ▶ Selected by a leading global automotive OEM as its strategic development partner for its next-generation Electric Vehicle (EV) system development
- ▶ Awarded by a leading European headquartered innovator and systems supplier for their EV platform development program
- ▶ Bagged a multi-million dollar EV software development program for a new-age EV OEM in the APAC region
- ▶ Won a high-voltage EV system software development deal from a leading Japanese Tier1 supplier
- ▶ Selected by a North American new age EV OEM for a strategic software development program

AD/ADAS ★

- ▶ Selected by a leading German Tier1 supplier for establishing an Offshore Development Center for Autonomous Driving and ADAS technologies
- ▶ Bagged a strategic software platform development deal for SAE Level 3 driving autonomy and beyond from a North American systems supplier
- ▶ Selected by a world-leading systems supplier for the development of an autonomous driving platform for commercial vehicles
- ▶ Selected by a leading German Tier1 supplier for establishing an Offshore Development Center for Autonomous Driving and ADAS technologies

RENESAS ⤴

- ▶ Joined hands with Japan's Renesas for building an EV ecosystem, aligned with Make in India, to focus on electrification products for light electric vehicles

GREEN HILLS ⤴

- ▶ Partnered with Green Hills to develop a Driver Monitoring System driven by AI and compliant with AUTOSAR Adaptive software-defined architecture, and integrated with secure INTEGRITY® RTOS



HEALTHCARE ★

- ▶ Selected by a leading global healthcare provider as their strategic digital and development partner for their next-generation digital health platform
- ▶ A US-headquartered healthcare technology leader awarded a long-term multi-million dollar deal for its Digital Transformation and Cloud Migration Program
- ▶ Unveiled TEngage, a digital health platform designed for omnichannel care





BROADCAST, MEDIA, AND TELECOMMUNICATIONS

SERVICES ★

- ▶ Selected as the platform provider and system integrator for multi-region Android TV launch for a leading US-based operator
- ▶ Was awarded a multi-year multi-million USD deal by a leading global MSO to support and manage their network operations across data, mobile and video service delivery

PRODUCTS & PLATFORMS ★

- ▶ Licensed our OTT solution, TEPLAY, to a world-renowned institution for arts and music to develop their OTT platform, and reach and engage with newer audiences digitally
- ▶ Selected by a leading US-based broadcaster for their global OTT platform development
- ▶ Selected to deploy iCX, our award-winning customer experience platform, for a leading global telecom operator across multiple countries

DESIGN DIGITAL ★

- ▶ Won a Design Digital deal leveraging our video platform TEPlay for end-to-end streaming video implementation and multi-year operational support
- ▶ Bagged a Design Digital deal from a leading Japanese OEM for the development of next-generation HMI for infotainment and in-cockpit interface

ALEF ↑

- ▶ Partnered with Alef to help accelerate 5G and proliferate edge deployments. Through this partnership Tata Elxsi will deliver industry-specific digital solutions covering digital applications, AI/ML and IoT, orchestration, monitoring and security solutions over Alef's Private Edge Platform.

Leading the Next

Amongst the world's leading providers of design and technology services for product engineering and solutions

Tata Elxsi Limited ('Tata Elxsi' or 'the Company'), a part of TATA Group, is a global design and technology services company.

Tata Elxsi is amongst the world's leading providers of design and technology services across industries including Automotive, Broadcast, Communications, Healthcare, and Transportation.

Tata Elxsi is helping customers reimagine their products and services through design thinking and the application of digital technologies such as IoT (Internet of Things), Cloud, Mobility, Virtual Reality, and Artificial Intelligence.



LEADING

LEADING WITH TECHNOLOGY

Technology leadership allows Tata Elxsi to bring innovative solutions to the market. The Company's vast pool of knowledge has enabled it to work with global leaders in Broadcast, Consumer Electronics, Media and Entertainment, Healthcare, Semiconductor, Telecom and Transportation industries. In collaboration with its customers, the Company has developed innovative products, services, and applications that create consumer delight and drive revenue growth for our customers.

LEADING WITH PRESENCE

Tata Elxsi is headquartered in the silicon valley of India – Bangalore – and operates in the US, Europe, APAC, Middle East, and Africa. The Company also has five nearshore centres across the world in Munich, Philadelphia, Detroit, Barcelona and Kawasaki.

Backed by three rich decades of experience and expertise in design and engineering and deep specialisation across segments, Tata Elxsi has emerged as one of the unparalleled players in service delivery.

LEADING WITH DESIGN

Tata Elxsi brings together a global and diverse team of strategic thinkers, consumer insights experts, award-winning designers, technologists, and digital experts, a network of Design Studios, Innovation Hubs, and Centers of Excellence for Digital technologies, and help enterprises reimagine their products and services - from strategy, insights and service design, to technology implementation, integration, and interaction design.

