

DESIGN



DIGITAL

Innovating for
the **Future**

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

Corporate Information

as on May 18, 2023

Board of Directors



MR. N. GANAPATHY SUBRAMANIAM

Chairman
(Non-Independent and
Non-Executive Director)



MRS. SHYAMALA GOPINATH

Independent Non-Executive
Director



MR. SUDHAKAR RAO

Independent Non-Executive
Director



PROF. ANURAG KUMAR

Independent Non-Executive Director



MR. ANKUR VERMA

Non-Independent and
Non-Executive Director



MR. MANOJ RAGHAVAN

CEO & Managing Director

Committees

AUDIT

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

NOMINATION & REMUNERATION

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

AUDITORS

BSR & Co. LLP
Chartered Accountants

STAKEHOLDERS' RELATIONSHIP

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

RISK MANAGEMENT

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

CORPORATE SOCIAL RESPONSIBILITY

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

REGISTERED & CORPORATE OFFICE

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

CHIEF FINANCIAL OFFICER

Mr. Gaurav Bajaj

COMPANY SECRETARY

Ms. Cauveri Sriram

REGISTRARS & SHARE TRANSFER AGENTS

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

Across the Pages

COMPANY OVERVIEW 6-57

6	Message from the Chairman
8	Design Digital
10	About Tata Elxsi
14	Progressing with Products, Partnerships, Associations & Alliances
18	Innovating Design, Digitalising Presence
20	Scaling Growth, Streamlining Design Digital
24	Strengthening Foundations of Design Digital
28	Leveraging Design + Digital
34	Fostering a Culture Designed to Nurture
36	Protecting the Planet with Concerted Efforts
40	Cultivating Strong Stakeholder Relations
48	Expanding Design Digital
56	Awards & Accolades

STATUTORY REPORTS & FINANCIAL STATEMENTS 58-228

58	AGM Notice
73	Directors' Report
82	Management Discussion and Analysis
92	Business Responsibility & Sustainability Report
127	Annual Report on Corporate Social Responsibility
139	Compliance Report on Corporate Governance
162	Independent Auditor's Report
176	Balance Sheet
177	Statement of Profit and Loss
178	Statement of Changes in Equity
179	Statement of Cash Flow
180	Notes forming part of the Financial Statements



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



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

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

Investor Information

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

TATA ELXSI AT A GLANCE

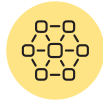
OPERATIONAL

Design Digital

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

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

Uses 3D Approach to drive differentiated value to customers



Design



Domain



Digital

Deploys 4P Approach

as foundational pillars



People



Process



Product



Partner
Ecosystem

INTELLECTUAL CAPITAL

Patents Filed: **111**

Patents Granted: **36**

INFRASTRUCTURE CAPITAL

Office Locations: **31**

Country Presence: **16**

Design Centres: **3**

FINANCIAL CAPITAL

Rs. **3,218.5** crores

Revenue for 2022-23

YoY **▲ 27.9%**

Rs. **755.19** crores

Profit After Tax for 2022-23

YoY **▲ 37.4%**

Rs. **121.26**

Earnings per share*

YoY **▲ 37.4%**

Rs. **334.9**

Book Value per share*

YoY **▲ 30.0%**

*as on March 31, 2023

SERVICE CAPITAL

Research & Strategy: Investigate, Strategise, Disrupt

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

Engineer: Software, Hardware, Mechanical and System Engineering

Test: Testing, Validation and Simulation

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



SOCIAL & RELATIONSHIP CAPITAL

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

Providing community engagement programmes in the field of education and healthcare

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



HUMAN CAPITAL

Total Workforce: **11,000+**

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

Employee Value Proposition 'Home to a Billion Possibilities'

NATURAL CAPITAL

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

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

Rainwater harvesting to replenish water

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

Facilities **ISO 14001:2015** certified



BRINGING DESIGN TO THE DIGITAL FOREFRONT

MESSAGE FROM THE CHAIRMAN



Dear Stakeholders,

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

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

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

Operations

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

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

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

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

Investment in Size

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

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

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

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

Looking Ahead

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

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

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

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

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

Yours Sincerely

N. G. Subramaniam

DESIGN DIGITAL

As Digital Technologies are integrated into consumer contexts, services, and products, new opportunities to increase operational efficiency, reduce costs, deliver new services to consumers, and enable new revenue streams for our customers are emerging.

However, the technological complexity required to develop new products and services is increasing exponentially due to these technologies.

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





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

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

REIMAGINING DESIGN TO INTEGRATE DIGITAL

ABOUT TATA ELXSI

A LEADING GLOBAL DESIGN AND TECHNOLOGY SERVICES COMPANY

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

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

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

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



AUTOMOTIVE

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

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

30+ years

OF INDUSTRY PRESENCE

11,000+

STRONG WORKFORCE

16 countries

COVERED WITHIN CLIENTELE AND CUSTOMER BASE

3 verticals

AUTOMOTIVE, MEDIA, BROADCAST & COMMUNICATION, AND HEALTHCARE

