

## COMPLIANCE REPORT ON CORPORATE GOVERNANCE

### Mandatory Requirements:

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

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

2. **Board of Directors**

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

**Performance evaluation of Board and Directors:** The Company has laid down a process for evaluation of the Board and Committees of Board as also evaluation of the performance of each of the directors. The evaluation is conducted and monitored by the Chairman, Nomination & Remuneration Committee (NRC) in consultation with the members of the committee. Each of the Directors are given a self-assessment Questionnaire, covering Degree of Fulfillment of their responsibilities, Board structure and Composition, Responsibilities of Committee, Effectiveness of Board process, Information and Functioning, Board Culture and Dynamics, Quality of relationship between the Board and Management etc. The Chairman, NRC on the basis of the Feedback received from each of the Directors has one to one meeting with them. At the end, He/She briefs the Chairman of the Board on the outcome, which was in turn discussed in the Board meeting. The performance of the Independent Directors was also reviewed at the Board meeting.

**Meeting of Independent Directors:** A separate meeting of Independent Directors for the Financial Year 2016-17 as per Clause VII (1) of Schedule IV under Section 149 (8) of the Companies Act, 2013 was held on April 28, 2016 wherein the Independent Directors reviewed the performance of the Managing Director, Non-Independent directors and other matters. The Independent Directors have confirmed that they satisfy the criteria of Independence as stipulated under Section 149 (6) of the Companies Act, 2013.

**Familiarisation:** The Independent Directors immediately on appointment are issued a formal letter of Appointment covering their Rights, Roles; Committee Positions etc. The Independent Director/s on appointment are also provided a welcome docket containing the Business overview of the company, policies etc. The directors before their appointment are briefed about the Company by the Chairman and Managing Director individually. At each of the Business plan meeting, normally held in the month of March every year, the Directors are briefed on the different business units of the company, the industry as a whole and other details like customers, market etc. During the year the Annual Business Plan meeting was held on 24<sup>th</sup> March, 2017. Prior to the Board meeting the Board on 23<sup>rd</sup> March, 2017 had a full day interactive session with the management team, wherein they were walked through the market of different business units, the customers, the future prospects etc. The future strategy of the Company was also discussed.

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

Five Board Meetings were held during the year 2016-17 and the gap between two meetings did not exceed four months. The dates on which the Board Meetings held were 28<sup>th</sup> April, 2016; 26<sup>th</sup> July, 2016; 27<sup>th</sup> October, 2016; 25<sup>th</sup> January, 2017 and 24<sup>th</sup> March 2017.

**COMPLIANCE REPORT ON CORPORATE GOVERNANCE (Contd.)**

The name 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 2016-17	Whether attended AGM held on 26 <sup>th</sup> July, 2016	No. of Chairmanships/Directorships in other Boards/Committees* of Companies**			
				Chairman/Chairperson of the Board	Chairman/Chairperson of the Committee	Member of the Board	Member of the Committee
Mr. N.G. Subramaniam [DIN 07006215]	Not Independent/ Non-executive	5	Yes	-	-	1	-
Mr. P. McGoldrick [DIN 00407203]	Independent / Non-executive	3	Yes	-	-	-	-
Mrs. Shyamala Gopinath [DIN 02362921]	Independent / Non-executive	5	Yes	1	-	2	3
Dr. Gopichand Katragadda [DIN 02475721]	Non Independent/ Non-executive	4	Yes	-	-	2	2
Prof. M.S. Ananth [DIN 00482391]	Independent / Non-executive	3	Yes	-	-	2	2
Mr.Sudhakar Rao [DIN 00267211]	Independent/ Non-executive	3 <sup>^</sup>	No	2	2	3	4
Mr.Madhukar Dev [DIN 00082103]	Not Independent/ Managing Director	5	Yes	-	-	-	-
Mr.P.G.Mankad (DIN00005001)	Independent/ Non-Executive	3 <sup>#</sup>	Yes	-	1	7	6

\* Only Audit and Stakeholders' Relationship Committees are considered.

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

<sup>^</sup> Mr.Sudhakar Rao was appointed as an Additional Director (Independent Director) on the Board of the Company w.e.f. 01.08.2016.

<sup>#</sup> Mr.P.G.Mankad relinquished the office of Directorship of the Company w.e.f. 19.11.2016 in terms of his appointment. The Committee positions and directorship of Mr.P.G.Mankad has been ascertained as per the records available with the Company as on date of his relinquishment.

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

None of the Non-Executive Directors hold any shares and/or convertible instruments in the company as at 31<sup>st</sup> March, 2017.

## COMPLIANCE REPORT ON CORPORATE GOVERNANCE (Contd.)

### 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;

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- 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. 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 deviation(s) or variation(s):
  - (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.

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

Six Audit Committee Meetings were held during the year 2016-17. The dates on which the Audit Committee Meetings held were 28<sup>th</sup> April, 2016; 25<sup>th</sup> July, 2016; 26<sup>th</sup> July, 2016; 27<sup>th</sup> October, 2016; 25<sup>th</sup> January, 2017 and 24<sup>th</sup> March, 2017.

The composition, name of the members, chairperson, particular 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 2016-17
1	Mrs. Shyamala Gopinath, Chairperson	Independent / Non-executive	6
2	Prof. M.S. Ananth	Independent / Non-executive	4
3	Mr. Patrick McGoldrick	Independent / Non-executive	4

**4. Nomination and Remuneration Committee**

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

- 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;

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4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
5. The Nomination and Remuneration Committee is responsible for Board composition and succession related; Evaluation of every Director. To recommend remuneration policy for the directors, KMP, executives and other employees of the Company.
6. To oversee familiarization programme for Directors, Review of HR strategy, Philosophy and Practices and any other activities related to change as requested by the Board from time to time.

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

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

Other than sitting fees and commission on the net profits of the Company, no other remuneration is payable to the Non-Executive Directors for 2016-17.

Three Nomination and Remuneration Committee (NRC) Meetings were held during the year 2016-17. The dates on which the Nomination and Remuneration Committee Meetings held were 28<sup>th</sup> April, 2016, 25<sup>th</sup> July 2016 and 27<sup>th</sup> October, 2016.

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 2016-17
1	Mrs. Shyamala Gopinath, Chairperson	Independent / Non-executive	3
2	Mr. N.G. Subramaniam	Not Independent / Non-executive	3
3	Mr. Patrick McGoldrick	Independent / Non-executive	2

Details of remuneration for the year ended 31<sup>st</sup> March, 2017.

### Non-Executive Directors (NEDs):

Sl. No.	Name of the Non-Executive Director	Sitting Fees (₹)	Commission* (₹)
1	Mr. N.G. Subramaniam	1,20,000	61,89,000
2	Mr. P. McGoldrick	1,50,000	37,74,000
3	Mrs. Shyamala Gopinath	2,40,000	63,40,000
4	Dr. Gopichand Katragadda	1,05,000	18,11,000
5	Prof. M.S. Ananth	1,05,000	21,13,000
6	Mr. Sudhakar Rao	1,20,000	18,11,000
7	Mr. P. G. Mankad	1,05,000	29,62,000

### Managing Director:

Name	Salary (₹)	Commission* (₹)	Contribution to Provident & other Funds (₹)	Other Allowances & Perquisites (₹)	Total (₹)
Mr. Madhukar Dev*	92,16,792	2,75,00,000	27,18,954	1,34,42,355	5,28,78,101

\* Subject to approval of the annual accounts at the forthcoming Annual General Meeting. The Remuneration paid to Mr. Madhukar Dev for the period from 16.01.2017 to 31.03.2017 is subject to approval of his re-appointment for the period from 16.01.2017 to 01.10.2019 by the Shareholders.

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The service of Managing Director may be terminated by either party giving other party six months' notice or the Company paying six months' salary in lieu thereof.

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

### 5. Stakeholders' Relationship Committee (Rechristened w.e.f. 22.4.2014)

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

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

Three Stakeholders' Relationship Committee Meetings were held during the year 2016-17. The dates on which the Stakeholders' Relationship Committee Meetings held were 20<sup>th</sup> May, 2016; 27<sup>th</sup> October, 2016 and 25<sup>th</sup> January, 2017.

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 2016-17
1	Mr. Sudhakar Rao@ Chairman	Independent/ Non-executive	2
2	Dr. Gopichand Katragadda	Independent / Non-executive	3
3	Mr. P.G. Mankad, @@	Independent / Non-executive	2

@Mr.Sudhakar Rao was appointed as a member of the Committee w.e.f 01.08.2016 and Chairman of the Committee w.e.f. 19.11.2016.

@@ Mr.P.G.Mankad, ceased to be the member of the Committee w.e.f. 19.11.2016 due to his retirement from the Board.

#### Name, designation & address of the Compliance Officer:

Mr. G. Vaidyanathan

Company Secretary

Tata Elxsi Ltd.,

ITPB Road, Whitefield

Bangalore – 560 048.

Phone : +91-80-22979316

Fax : +91-80-28411474

E-mail : [gynathan@tataelxsi.co.in](mailto:gynathan@tataelxsi.co.in)

Details of complaints received and redressed during 2016-17:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
1	20	20	1

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

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

a. Mr. Imran (e-mail: [investors@tataelxsi.com](mailto:investors@tataelxsi.com)); Phone: +91-080-2297-9166; Fax: +91-080-28411474.

b. TSR Darashaw Ltd. (e-mail: [csg-unit@tsrdarashaw.com](mailto:csg-unit@tsrdarashaw.com)); Phone: +91-022-66568484; Fax: +91-022-66568494.

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### 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.

Two Risk Management Committee (RMC) meetings were held during the year 2016-17 i.e. on 15.11.2016 and 24.03.2017.

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

Sl. No.	Name of Members	Category	No. of Meetings attended during the year 2016-17
1	Mr. Patrick McGoldrick, Chairman	Independent / Non-executive	1
2	Mr. Sudhakar Rao @	Independent / Non-executive	2
3	Mr. K. Ramaseshan	Company Executive (CFO)	2
3	Mr. P.G. Mankad @@	Independent / Non-executive	1

@ Mr.Sudhakar Rao was appointed as a member of the Committee w.e.f .01.08.2016.

@@ Mr.P.G.Mankad, ceased to be the member of the Committee w.e.f. 19.11.2016 due to his retirement from the Board.

Mr. Patrick McGoldrick was appointed as the Chairman of the RMC w.e.f. 19.11.2016.

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 Corporate Social Responsibility (CSR) Committee in line with the provisions of Section 135 of the Company's 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 2016-17. The dates on which the Corporate Social Responsibility (CSR) Meetings held were 27<sup>th</sup> April, 2016 and 25<sup>th</sup> January, 2017.

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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 2016-17
1	Mrs. Shyamala Gopinath, Chairperson	Independent / Non-executive	2
2	Mr. Sudhakar Rao @	Independent / Non-executive	1
3	Mr. Madhukar Dev	Managing Director	2
4	Mr. P.G. Mankad@@	Independent / Non-executive	1

@Mr. Sudhakar Rao was appointed as a member of the Committee w.e.f. 01.08.2016.

@@ Mr. P.G. Mankad, ceased to be the member of the Committee w.e.f. 19.11.2016 due to his retirement from the Board

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 (AGM's) of the Company are:

Sl. No.	AGM Particulars	Date	Venue	Time
1	27 <sup>th</sup> AGM in respect of the year 2015-16	26 <sup>th</sup> July, 2016	St.John's Auditorium, John Nagar, Kormangala, Bangalore- 560 034	12.30 p.m.
2	26 <sup>th</sup> AGM in respect of the year 2014-15	24 <sup>th</sup> July, 2015	Devraj Urs Bhavan, (behind Dr. Ambedakar Bhavan), 16D, Millers Tank Bed Area, Vasanthnagar, Bangalore-560052	12.30 p.m.
3	25 <sup>th</sup> AGM in respect of the year 2013-14	18 <sup>th</sup> July, 2014	Devraj Urs Bhavan, (behind Dr. Ambedakar Bhavan), 16D, Millers Tank Bed Area, Vasanthnagar, Bangalore-560052	12.30 p.m.

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

### 9. Disclosures

- There are no materially significant related party transactions during the year that have potential conflict with the interests of the Company at large;
- The Company has formulated a policy on Related Party Transactions and the same is available on company's website [www.tataelxsi.com/investors/corporate\\_governance/policies](http://www.tataelxsi.com/investors/corporate_governance/policies);
- 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;



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- There has been no non-compliance or penalties, or strictures imposed on your Company by any of the Stock Exchanges or SEBI, or any statutory authority on any matter related to capital markets during the last three years;
- The Company has adopted a Whistle Bowler Policy and has established the necessary mechanism in line with the requirements under the Companies Act, 2013, 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) To ensure that adequate safeguards are 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 is meted out to any person for a genuinely raised concern.

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

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

### 10. Means of Communication

- Your Company uses several modes for communicating with its external stakeholders, such as announcements and press releases in newspapers, circular letters and other reports to the members, posting information on its Website ([www.tataelxsi.com](http://www.tataelxsi.com)), intimation to the Stock Exchanges, responding to analyst's queries etc.
- Your Company's quarterly results are disseminated through all the modes mentioned above. Financial Express (English daily) and Sanjevani (vernacular daily) are usually the papers in which the quarterly results are published.
- Your Company's Management Discussion & Analysis of the Business for the year ended 31<sup>st</sup> March, 2017 forms part of the Directors' Report and is given under the Section so captioned.
- The transcripts and audio of the Company's investors/analysts concalls are available at: <http://www.tataelxsi.com/investors/investor-relations.html>.

## 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](http://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 31<sup>st</sup> March, 2017.

**Madhukar Dev**  
Managing Director

Bengaluru, 27<sup>th</sup> April, 2017

**COMPLIANCE REPORT ON CORPORATE GOVERNANCE (Contd.)**
**11. General Shareholders Information**

Sl. No.	Salient Items of Interest	Particulars
i.	AGM Date, Time, and Venue	On 27 <sup>th</sup> July, 2017, Thursday at 12:30 pm at St. John's Auditorium, John Nagar, Koramangala, Bangalore - 560 034, Karnataka.
ii.	Financial Calendar	27 <sup>th</sup> April, 2017 – Q4 & FY16 Results
		27 <sup>th</sup> July, 2017– Q1 Results & AGM
		25 <sup>th</sup> Oct, 2017 – Q2 Results
		24 <sup>th</sup> Jan, 2018 – Q3 Results
iii.	Date of Book Closure	20 <sup>th</sup> July to 27 <sup>th</sup> July, 2017 (both days inclusive)
iv.	Dividend Payment Date	On and after 27 <sup>th</sup> July, 2017
v.	Listing on Stock Exchanges	<b>Bombay Stock Exchange Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001, India Tel. : +91-22-22721234 Fax : +91-22-22722041
		<b>The National Stock Exchange of India Limited</b> 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
vi.	Listing Fees	The listing fee has been paid to BSE & NSE for the FY 2016-17.
vii.	Stock Code	Bombay Stock Exchange Ltd.: 500408 National Stock Exchange Ltd.: TATAELXSI
viii.	Registrar & Share transfer Agent	TSR Darashaw Limited, 6-10, Haji Moosa Patrawala Ind. Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai – 400 011
ix.	Share Transfer System	Shares lodged in physical form with the Company/its Registrars & Share Transfer Agents are processed and returned, duly transferred within 15 days normally, except in cases where litigation is involved.  In respect of shares held in dematerialised mode, the transfer takes place instantaneously between the transferor, transferee, and the Depository Participant through electronic debit/credit of the accounts involved.
x.	Dematerialisation of shares and liquidity	2,97,49,743 shares were held in dematerialised mode, as at 31 <sup>st</sup> March, 2017. The Company's equity shares are actively traded on BSE and NSE.
xi.	Outstanding GDRs /ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity	There are no outstanding instruments and hence there will be no dilution of the equity.

## COMPLIANCE REPORT ON CORPORATE GOVERNANCE (Contd.)

Sl. No.	Salient Items of Interest	Particulars
xii.	Development Centre Locations	<p>Your Company's software development centres are located at the following addresses:</p> <ul style="list-style-type: none"> <li>a. ITPB Road, Whitefield, Bangalore – 560 048;</li> <li>b. Crescent-4, 9<sup>th</sup> Floor, Prestige Shantiniketan, ITPB Road, White field, Bangalore - 560 048;</li> <li>c. IITM Research Park, 4<sup>th</sup> Floor, Kanagam Road, Taramani, Chennai – 600 113;</li> <li>d. Giga Space IT Park, No. 201, 2<sup>nd</sup> Floor, Alpha – 1 Building, Viman Nagar, Pune – 411 014;</li> <li>e. Giga Space IT Park, No. 201, 3<sup>rd</sup> Floor, Alpha – 2 Building, Viman Nagar, Pune – 411 014;</li> <li>f. SEZ Tower IX, A Wing, Level – 2, Magarpatta City, Hadapsar, Pune – 411 013;</li> <li>g. Gayathri, 1<sup>st</sup> Floor, Technopark Campus, Kariyavattom, Thiruvananthapuram– 695 581;</li> <li>h. Neyyar, Technopark Campus, Kariyavattom, Thiruvananthapuram– 695 581;</li> <li>i. Leela Infopark, 5<sup>th</sup> Floor, Plot No. 2, Technopark Campus, Thiruvananthapuram– 695 581;</li> <li>j. Boston House, 2<sup>nd</sup> Floor, No. 201, Suren Road, Gondivali, Village, Off Andheri- Kurla Road, Andheri East, Mumbai – 400 093</li> </ul>
xiii.	Address for correspondence	ITPB Road, Whitefield, Bangalore – 560 048
xiv.	CIN	L85110KAI989PLC009968

**COMPLIANCE REPORT ON CORPORATE GOVERNANCE (Contd.)**
**Market Price Data: High/Low during each month of 2016-17 on the following exchanges:**

Month	BSE			NSE		
	High ₹	Low ₹	Vol (No. of shares)	High ₹	Low ₹	Vol (No. of shares)
April 2016	2064.00	1857.50	1958171	2065.00	1855.20	443724
May 2016	1940.75	1775.00	1484140	1941.75	1776.15	329613
June 2016	1839.50	1612.15	1111540	1835.45	1611.45	230964
July 2016	1783.00	1595.40	1319966	1781.90	1595.00	311990
August 2016	1755.00	1538.00	1173610	1757.80	1538.00	298974
September 2016	1589.45	1371.70	821250	1589.70	1368.00	190437
October 2016	1436.25	1224.00	1370030	1435.00	1222.05	292913
November 2016	1353.75	1021.65	1936028	1354.90	1021.25	377550
December 2016	1498.80	1264.00	1949346	1498.00	1263.10	498497
January 2017	1557.80	1372.05	2006317	1555.00	1372.20	385175
February 2017	1533.20	1394.45	1039845	1533.00	1394.05	260149
March 2017	1545.00	1426.25	798732	1544.20	1426.00	215744

**Distribution of Shareholding as on 31<sup>st</sup> March, 2017**

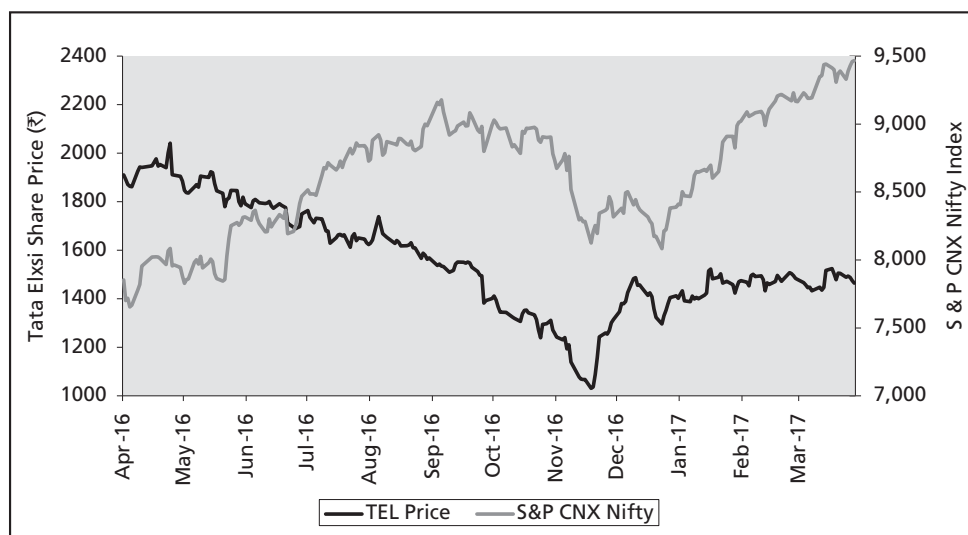
Range of Shares	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1 – 500	83042	96.88	6854016	22.01
501 – 1000	1462	1.71	1147612	3.69
1001- 2000	612	0.71	916676	2.94
2001– 3000	206	0.24	526575	1.69
3001– 4000	92	0.11	332366	1.07
4001– 5000	75	0.09	345282	1.11
5001– 10000	101	0.12	709846	2.28
Over 10,000	118	0.14	20305847	65.21
<b>Total</b>	<b>85708</b>	<b>100.00</b>	<b>31138220</b>	<b>100.00</b>

**Categories of Shareholding as on 31<sup>st</sup> March, 2017**

Category	No. of Shareholders	No. of Shares held	% of Shareholding
Individuals	84371	11249234	36.13
Trusts	14	34155	0.11
Companies	1229	1776029	5.70
Tata Group	2	13897632	44.63
Mutual Funds, FI's, FII's	91	4180070	13.42
Directors & Relatives	1	1100	0.00
<b>Total</b>	<b>85708</b>	<b>31138220</b>	<b>100</b>

## COMPLIANCE REPORT ON CORPORATE GOVERNANCE (Contd.)

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



## INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of  
Tata Elxsi Limited

- We, Deloitte Haskins & Sells, Chartered Accountants, Statutory Auditors of TATA ELXSI LIMITED ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

### Managements' Responsibility

- The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

### Auditor's Responsibility

- Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
- We have examined the books of accounts and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
- We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the

Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purpose issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

- 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 Engagement.

### Opinion

- Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2017.
- 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.

For Deloitte Haskins & Sells  
Chartered Accountants  
Firm Registration No. 0080725  
**S. Ganesh**  
Partner  
Membership No. 204108

Place: Bangalore  
Date: April 27, 2017