

**MINUTES OF THE TWENTY-THIRD ANNUAL GENERAL MEETING OF
TATA ELXSI LIMITED HELD ON TUESDAY 24TH JULY 2012 AT 12.30 PM
AT DEVRAJ URS BHAVAN (BEHIND Dr. AMBEDKAR BHAVAN) 16 D,
MILLERS TANK BED AREA, BANGALORE 560 052**

PRESENT

As per admission slips

CHAIR

Mr. S. Ramadorai occupied the Chair pursuant to the provisions of Article 88 of the Articles of Association of the Company.

QUORUM

The Chairman declared that the quorum was present at the Meeting and called the Meeting to order.

NOTICE

Notice dated 7th May, 2012 convening the Twenty-third Annual General Meeting was taken as read with the consent of the Members present.

**SUMMARY OF THE
CHAIRMAN'S
SPEECH**

The Chairman welcomed the members to the Twenty-third Annual General Meeting of the Company and introduced the Directors on the dais. He announced that 80 shareholders personally present & 4 proxies and the following directors were present.

1. Mr. S. Ramadorai
2. Mr. Pat McGoldrick
3. Dr. R. Natarajan
4. Mrs. Shyamala Gopinath (Chairperson Audit Committee)
5. Mr. Madhukar Dev, Managing Director

He mentioned that as per the provisions of company law, shareholders personally present could speak at the Meeting and vote on a show of hands but proxies are not allowed to speak and vote by show of hands.



The Chairman welcomed the Shareholders to the Twenty-third Annual General Meeting of the Company. He stated that the company undertook some key initiatives over the past two years towards driving sustainable growth, and these initiatives have yielded good results. He further stated that the select industry segments in which the company operates have shown positive growth, and expect that this trend would continue in the current year, subject to the economic conditions.

He briefly presented the salient features of the Company's performance for the financial year 2011-12.

He added that the Company reported a consolidated turnover of Rs. 542.9 Crs. for the year 2011-12, as against Rs. 419.77 Crs. in the previous year, registering an overall increase of 30%. The growth was well supported by the performance of all units across geographies and business segments.

The Profit Before Tax (PBT) for the year 2011-12 was Rs. 55.36 Crs. compared to Rs. 31.97 Crs in the previous year; registering an overall increase of 73%.

The Profit After Tax (PAT) for the year 2011-12 was Rs. 34.59 Crs. as against Rs. 32.52 Crs. in the previous years; as a consequence of a higher tax liability due to the expiry of 10A benefit for the IT industry.

He added that the Directors have recommended maintaining the Dividend at 70% for the year 2011-12, for the consideration at this meeting.

He briefly touched upon the outlook of the Company's two main segments, namely 'Software Development & Service' and 'Systems Integration & Support'.



He added that the **Software Development and Services** segment registered an increase in revenue of 27% from Rs. 358.20 Crs in FY11 to Rs. 454.25 Crs. in FY12.

He mentioned that this segment comprises three divisions of which a brief overview of each of these divisions were given.

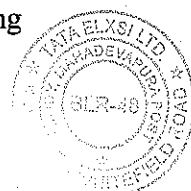
The **Embedded Product Design** Division is the largest contributor of revenue to the company. This division had identified three industry verticals with significant growth potential in the embedded electronics space and focused its efforts in engineering, marketing and sales over the past two years, to enable better penetration and revenue growth. Broadcast and Consumer Electronics represents the first key vertical for this division.

The Company engages with global customers for the development of high-technology products such as set-top boxes and digital television in the broadcast space, as well as consumer electronics such as cameras, tablets and smart phones.

He was pleased to report that the Company has been ranked among the Top 3 R&D service providers worldwide for the Consumer Electronics market by Zinnov, a leading consulting firm, in their Annual Global R&D Service Provider Ranking in 2012.

The second key vertical addressed is Transportation, encompassing automotive and aerospace electronics.

The demand for automotive vehicles, while still muted in mature markets, has shown resilience and growth in emerging markets. This demand, coupled with regulatory pressures for increased efficiency and safety, is fuelling new product design and development.



The company has invested in developing competencies in areas such as infotainment, telematics and hybrid vehicle technologies, which are expected to see increasing deployment of embedded systems and software.

As per Zinnov's global R&D service provider ranking for 2012, the Company is rated among the top 5 product engineering service providers globally for automotive electronics.

The third key vertical addressed by this division is Communications.

The telecom industry is transforming towards 'fully IP-based' networks and broadband wireless technologies. The company is continuing to invest in developing IPR for WiMAX and LTE standards, to take advantage of this addressable opportunity. It has also won new deals in adjacent markets such as defense and public safety, which are developing new systems based on broadband wireless.

As per NASSCOM estimates, India is expected to garner a large share of revenues from outsourced embedded product engineering services with a projected annual growth rate of 12%. So, the three industry verticals addressed by the Company represent the largest share of outsourced product engineering, and is therefore expected to create significant business opportunities in future.

The second Division in the 'Software Development and Services' segment is **Industrial Design (ID)**. This Division helps customers develop winning brands and products by using design as a strategic tool for business success.



ID is also expanding its signage design solutions for Mass transit, Airports and Infrastructure. It has leveraged its successful experience with the Bangalore Metro to win a comprehensive 'signage design' project for one of India's leading airports.

VCL is proud of its work for the film “Arjun – The Warrior Prince”, produced by Walt Disney Pictures and UTV Motion Pictures, which was released worldwide on 25th May 2012. This is VCL’s second fully animated mainstream Bollywood film, after *Roadside Romeo* and has received critical acclaim from across the world. The Division also won several awards for its work on television commercials in the last year.

On a consolidated basis, this business segment registered an increase of 45% from Rs. Rs.57.71 Cr. in FY11 to Rs. 84.11 Cr. in FY12.

This business has improved its turnover by focusing on a 'solutions-centric' approach. It also focused on growing the professional services business, both in India as well as overseas, to enable growth and better margins.

He briefed on one of the key solutions-led projects executed by the Systems Integration Division. This division had successfully implemented a state-of-the-art Virtual Reality Centre for Mazagon Docks Limited – a premier shipyard construction Company in India. Mazagon Docks uses this facility to present new ship designs to their customers, design teams and partners, enabling real-time and collaborative reviews, and decision-making.

He added that during the year, the Company had entered into a Joint Venture Agreement with a Los Angeles-based company to create content of a unique nature, featuring international celebrities, and targeted at children. The joint venture has not progressed as per the Company's business expectations. Continuing the partnership and the operations would involve further investments, which the Company believed to be unviable, and an increased business risk. The Company is, therefore, in the process of a review of its partnership and has decided against any further investment.

He further added that the Company will continue to invest in skill development and take appropriate measures in retaining, developing and attracting the talent required to deliver higher value to the customers.



He further added that the Company also believes that the ongoing investments in IPR and technology development, as well as exploration of new and adjacent markets will help de-risk any downturns in specific industries and markets, and lay the foundation for future business.

In the end Chairman thanked the Board members, Shareholders, business partners, and all employees of Tata Elxsi Limited, for their continued confidence and support.

AUDITORS' REPORT

At the request of the Chairman, Mr. G. Vaidyanathan, Company Secretary, read the Auditors' Report to the members on the Accounts for the year ended March 31, 2012.

RESOLUTION NO.1

The Chairman then proposed the first Resolution, dealing with approval of the Accounts and Directors Report and related documents forming part thereto for the year ended 31st March 2012, duly seconded by Mr. Murali, and requested members to raise their observations on the Accounts and the Company's performance, before putting the resolution to vote:

“RESOLVED that the Statement of Profit & Loss of the Company for the year ended 31st March 2012, Balance Sheet of the Company as at 31st March 2012, the Cash Flow Statement for the year ended 31st March 2012, the Auditors' Report thereon and the Report of the Board of Directors of the Company for the said year be and are hereby approved”.

Members then mentioned their observations/queries covering the Capitalisation of Reserves, Growth Strategy, and other accounts related matters.

After replying to all the questions/queries, the Resolution was put to vote and on a show of hands, passed unanimously.



RESOLUTION NO.2 Proposed as an Ordinary Resolution by Mr. V. N. Nandakumar and seconded by Mr. Pandu Rao.

“RESOLVED that in respect of the financial year ended 31st March 2012, the Final Dividend of Rs. 7.00 per share (70%) recommended by the Board of Directors at their Meeting on 7th May 2012 be and is hereby declared and approved”.

The resolution was put to vote and on a show of hands, carried unanimously

RESOLUTION NO.3 The Chairman requested Dr. R. Natarajan to chair the meeting for item # 3 as it was concern to his reappointment.

Proposed as an Ordinary Resolution by Mr. Rajasekhar Aradya and seconded by Mr. Pandu Rao.

“RESOLVED that Mr. S. Ramadorai who retires by rotation at this Meeting and is eligible for reappointment, be and is hereby reappointed as a Director of the Company to hold office pursuant to Article 156 of the Articles of Association of the Company”.

The resolution was put to vote and on a show of hands, carried unanimously.

The Chairman resumes to Chair.

RESOLUTION NO. 4 Proposed as an Ordinary Resolution by Mr. Murali and seconded by Mr. V.N. Nandakumar.

“RESOLVED that Dr. R. Natarajan who retires by rotation at this Meeting and is eligible for reappointment, be and is hereby reappointed as a Director of the Company to hold office pursuant to Article 156 of the Articles of Association of the Company”.



The resolution was put to vote and on a show of hands, carried unanimously.

RESOLUTION NO 5 Proposed as an Ordinary Resolution by Mr. H.S. Naik and seconded by Mr. N. Chandrashekhar.

“RESOLVED that M/s Deloitte Haskins and Sells, Chartered Accountants (Registration No.008072), be and are hereby reappointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting of the Company and to examine and audit the accounts of the Company for the Financial Year 2012-13 at a remuneration to be decided by the Board of Directors and reasonable out of pocket expenses incurred by them in connection with the audit, on the recommendation of the Audit Committee”.

The resolution was put to vote and on a show of hands, carried unanimously.

RESOLUTION NO 6 Proposed as an Ordinary Resolution by Mr. Chandrasekhar and seconded by Mr. Ravikiran Honavar.

“RESOLVED THAT Mrs. Shyamala Gopinath who was appointed as an Additional Director of the Company, with effect from 18th August, 2011, who holds office up to this Annual General Meeting, pursuant to the provisions of Section 260 of the Companies Act, 1956 (“the Act”) and is eligible for re-appointment and in respect of whom the Company has received a notice in writing from a member u/s 257 of the Act, proposing her candidature to the office of Directorship of the Company, be and is hereby appointed as Director of the Company whose terms of office will be determined by retirement by rotation”

The resolution was put to vote and on a show of hands, carried unanimously.



RESOLUTION NO 7 As all the Non-Executive Directors are concerned or interested in this business, the Chairman requested Mr. Madhukar Dev to Chair the meeting for item # 7.

Proposed as a Special Resolution by Mr. Ravikiran Honnavar and seconded by Mr. Pandu Rao.

“RESOLVED that pursuant to the Provisions of Section 309 and other applicable provisions, if any, of the Companies Act, 1956 (“the Act”), a sum not exceeding 1% per annum of the net profits of the Company calculated in accordance with the provisions of Sections 198, 349 and 350 of the Act, be and is hereby approved for payment to and distribution amongst the Directors of the Company or some or any of them (other than the Managing Director and Whole-time Directors, if any) in such amounts or proportions and in such a manner and in all respects as may be directed by the Board of Directors of the Company and that such payments and distribution shall be made in respect of the profits of the Company for each year of the period of five years commencing from 1st April 2011”

The resolution was put to vote and on a show of hands, carried unanimously.

Mr. Ramadorai resumes the Chair.

The Meeting concluded with a vote of thanks to the Chair.

Sd/-
CHAIRMAN

