

10<sup>th</sup> July, 2017

The Secretary  
BSE Ltd  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai- 400 001

Dear Sir,

**Sub: Submission of 26<sup>th</sup> Annual Report 2016-17- Reg**  
**Ref: Scrip Code 517477**

Please find attached the 26<sup>th</sup> Annual Report of the Company held on Thursday 06<sup>th</sup> July, 2017 at 11.00 AM (IST) at New Woodlands Hotel Pvt. Ltd, No.72-75, Dr. Radhakrishnan Salai, Mylapore, Chennai 600 004. This is also made available on the website of the Company, at the following link:

[http://www.elnettechnologies.com/Document/final\\_elnet\\_26th\\_annual%20report\\_2017.pdf](http://www.elnettechnologies.com/Document/final_elnet_26th_annual%20report_2017.pdf)

Also please find attached the addendum notice of the 26<sup>th</sup> Annual General Meeting.

Please take the above intimation on records.

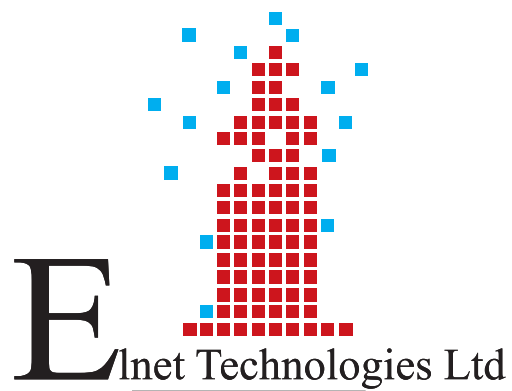
Thanking you,

Yours truly,

**For ELNET TECHNOLOGIES LIMITED,**

**S. LAKSHMI NARASIMHAN**

**COMPANY SECRETARY**



## **Twenty Sixth Annual Report**

**2016 - 2017**

BOARD OF DIRECTORS

Dr. Rajendra Kumar, IAS, Chairman  
Tmt. Unnamalai Thiagarajan, Managing Director  
Thiru C. Ramachandran, IAS(Retd.)  
Thiru J. Ravi  
Thiru R. Ganapathi  
Thiru H. Karthik Seshadri  
Thiru K. Padmanaban  
Thiru G. Senrayaperumal  
Dr.V. Dharmalingam  
Thiru K. Kasim, IPS (Retd.)  
Thiru G. Chellakrishna  
Thiru B.Evanesan

STATUTORY AUDITORS

M/s. S.H. Bhandari & Co.  
Chartered Accountants  
Bhandari Towers, 824, EVR Periyar Road  
Kilpauk, Chennai 600 010

BANKERS

M/s. Axis Bank Limited  
Thiruvanniyur Branch  
Chennai 600 041

M/s. State Bank of India  
Industrial Finance Branch  
155, Anna Salai  
Chennai 600 002

M/s. Canara Bank  
Tidel Park Branch, Chennai 600 113

REGISTERED OFFICE

Elnet Software City  
TS 140, Block No.2&9,  
Rajiv Gandhi Salai,  
Taramani, Chennai 600 113  
Phone – 044 – 2254 1337 / 1098  
Fax – 044 – 2254 1955  
E-mail : elnet@md4.vsnl.net.in  
CIN : L72300TN1990PLC019459

REGISTRARS AND SHARE  
TRANSFER AGENTS

M/s. Cameo Corporate Services Limited  
“Subramanian Building”, 5th Floor  
No.1, Club House Road, Chennai 600 002  
Phone - -044 – 2846 0390 (6 lines)  
Fax – 044 – 2846 0129

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

---

### FINANCIAL HIGHLIGHTS

(In ₹ Lakhs)

HIGHLIGHTS	2016-17	2015-16	2014-15	2013-14	2012-13
Gross Revenue	2,495.85	2,414.35	2,330.04	2,253.80	2,169.21
Profits Before Tax	1,207.39	979.78	847.39	864.59	802.03
Taxation	422.52	335.17	284.69	280.69	263.13
Profits After Tax	784.88	644.61	562.70	583.90	538.90
Dividend & Dividend Taxes	67.40	81.84	67.40	65.52	65.52
Borrowings	426.34	426.34	426.34	426.34	426.34
Networth	6,017.92	5,300.44	4,737.36	4,299.21	3,780.82
Earnings per Equity Share	19.62	16.12	14.07	14.60	13.47
Dividend on Equity Share	14%	17%	14%	14%	14%
Debt: Equity Ratio	0.07:1	0.08:1	0.09:1	0.10:1	0.11:1

<b>Sl. No.</b>	<b>CONTENTS</b>	<b>Page Nos.</b>
1	Notice to Members	4-12
2	E - Voting Facility	13-15
3	Directors' Report	16-48
4	Practising Company Secretary's Report on Corporate Governance	48
5	Corporate Governance Report	49-68
6	MR-3 Secretarial Auditor Report	69-72
7	Auditors' Report - Standalone	73-79
8	Balance Sheet - Standalone	80
9	Statement of Profit and Loss - Standalone	81
10	Note 1 Share Capital	82
11	Note 2 Reserves and Surplus	83
12	Note 3 Long Term Borrowings	83-84
13	Note 4 Other Long Term Liabilities	84
14	Note 5 Long Term Provisions	84
15	Note 6 Trade Payables	84
16	Note 7 Other Current Liabilities	85
17	Note 8 Short Term Provisions	85
18	Note 9 Fixed Assets	86-89
19	Note 10 Non Current Investments	89
20	Note 11 Long Term Loans and Advances	90
21	Note 12 Other Non Current Assets	90
22	Note 13 Trade Receivables	90
23	Note 14 Cash and Cash Equivalents	90
24	Note 15 Short Term Loans and Advances	91
25	Note 16 Other Current Assets	91
26	Note 17 Revenue from Operations	92
27	Note 18 Other Income	92
28	Note 19 Employee Benefit Expense	92
29	Note 20 Other Expenses	93
30	Note 21 Notes forming part of Accounts - Standalone	94-108
31	Cash Flow Statement - Standalone	109-110
32	Form AOC-1 Statement Pursuant to Section 129	111
33	Consolidated Accounts Auditor's Report	112-117
34	Consolidated Accounts	118-131
35	Note 21 Notes forming part of Consolidated Accounts	132-148
36	Subsidiary Company - Directors' Report	149-150
37	Subsidiary Company - Auditors' Report	151-154
38	Subsidiary Company - Accounts	155-162
39	Proxy Form - MGT 11	163
40	Attendance Slip	165
41	Green Initiative	167-168

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

---

### NOTICE

NOTICE is hereby given that the TWENTY SIXTH Annual General Meeting of Members of ELNET TECHNOLOGIES LIMITED (CIN: L72300TN1990PLC019459) will be held on Thursday, the 06th July, 2017 at 11.00 AM (IST) at New Woodlands Hotel Pvt. Ltd., No.72-75, Dr.Radhakrishnan Salai, Mylapore, Chennai 600 004 to transact the following business :

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Standalone and Consolidated Statement of Profit & Loss Account for the Financial Year ended on 31st March 2017 and the Balance Sheet as at that date and the Cash flow statement for the Financial Year ended on 31st March 2017 and the Reports of the Directors and the Auditors thereon.
2. To declare Dividend on the equity shares.
3. To appoint a Director in place of Thiru C. Ramachandran, IAS (Retd.) (DIN:0050893) who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors and to fix their remuneration

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

“RESOLVED THAT pursuant to the provision of sections 139,142 and other provisions Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force), and pursuant to the recommendations of the Board of Directors , M/s MZSK & Associates, Chartered Accountants, Chennai, be and is here by appointed as Statutory Auditors of the Company at the 26th Annual General Meeting, to hold office for the period of Five years, till the conclusion of the 31st Annual General Meeting of the company and their remuneration be fixed at Rs. Rs.4,00,000/- plus service tax as applicable for the financial year 2017-2018.

RESOLVED FURTHER THAT appointment of the statutory auditor shall be subject to the ratification at each annual general meeting held after forthcoming annual general meeting.

### SPECIAL BUSINESS

#### 5. APPOINTMENT OF DR. RAJENDRA KUMAR, IAS (DIN:02677079) AS A CHAIRMAN - DIRECTOR

To consider and, if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to the provisions of Section 149, 152 ,161 and all other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory or re-enactment

thereof for the time being in force) Dr. Rajendra Kumar, IAS (DIN:02677079) who was appointed as Nominee Director on 09.11.2016 in the casual vacancy caused by the resignation of Thiru Atul Anand, IAS, vacates office at this Annual General Meeting and is eligible for reappointment and the Company as required under Sec. 160 of the Companies Act 2013, received a Notice in writing from a member M/s. Electronics Corporation of Tamil Nadu Limited (ELCOT), Chennai, whose DP ID / CL ID is IN300597 / 10269372 signifying their intention to propose him as a candidate for the office of the Director, be and is hereby appointed as Chairman Director of the Company and is not subject to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committees thereof) and / or Company Secretary of the Company, be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

#### **6. APPOINTMENT OF THIRU B.EVANESAN, (DIN:02276278) AS A DIRECTOR**

To consider and, if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 152, 161 and all other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory or re-enactment thereof for the time being in force) Thiru B.EVANESAN, (DIN:02276278) who was appointed as Nominee Director on 09.11.2016 in the casual vacancy caused by the resignation of Thiru P. Manivanan, vacates office at this Annual General Meeting and is eligible for reappointment and the Company as required under Sec. 160 of the Companies Act 2013, received a Notice in writing along with deposit from a member M/s. Electronics Corporation of Tamil Nadu Limited (ELCOT), Chennai, whose DP ID / CL ID is IN300597 / 10269372 signifying their intention to propose him as a candidate for the office of the Director, be and is hereby appointed as Director of the Company and is not subject to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committees thereof) and / or Company Secretary of the Company, be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

By Order of the Board of Directors  
For Elnet Technologies Limited

Place : Chennai  
Date : 12.05.2017

**S. LAKSHMI NARASIMHAN**  
COMPANY SECRETARY

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

---

### NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the commencement of Annual General Meeting.
2. The relative explanatory Statement as required under Sec. 102 of the Companies Act 2013, in respect of the Business under item no.3, 5 and 6 the accompanying Notice are annexed hereto.
3. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.
4. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
5. The Register of Members and the Share Transfer Books of the Company shall remain closed from 30th June 2017 to 06th July 2017 (Both days inclusive) for payment of dividend, if declared at the Meeting.
6. The payment of dividend, upon declaration by the shareholders, at the ensuing Annual General Meeting will be made within one month from the date of Annual General Meeting.
7. Members holding shares in dematerialized mode are requested to intimate all changes pertaining to their Bank details, change in address etc., to their Depository participant only and not to the Company's Registrar and Share Transfer Agent.

Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and its Registrars and Share Transfer Agents to provide efficient and better service to the Members.

Pursuant to the provisions of Sec 124 of the Companies Act, 2013 and other applicable provisions, if any, dividend declared, which remain unclaimed for a period of seven years will be transferred by the Company to the Investor Education and Protection Fund as shown here under.



Financial Year	Unpaid/ Unclaimed dividend as on 31.03.2017 (₹)	Date of declaration of Dividend	Due Date of the proposed transfer to Investor Education and Protection Fund
2009-10	2,62,122.00	21.07.2010	24.08.2017
2010-11	3,35,195.20	28.06.2011	31.07.2018
2011-12	2,72,871.60	22.06.2012	24.07.2019
2012-13	2,31,833.00	20.06.2013	22.07.2020
2013-14	2,43,616.80	17.07.2014	20.08.2021
2014-15	2,23,658.60	08.07.2015	10.08.2022
2015-16	2,94,249.70	15.06.2016	18.07.2023
<b>TOTAL</b>	<b>18,63,546.90</b>		

**\*\* Please note that as per sec 124 of Companies Act, 2013 and other applicable provisions, if any, the company shall transfer the pending amount lying in the unpaid Dividend Account to Investor Education and Protection Fund within 30 days from the due date.**

The members may please take note of the relevant provisions relating to transfer of shares to Investor Education and Protection Fund Authority as laid down in "Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017 notified on February 28, 2017, which required the transfer to be effected within May 31, 2017. The Ministry of Corporate Affairs, vide Circular No.06/20017 dated 29th May 2017, has clarified that revised due date for transfer/transmittal of shares shall be notified soon.

Members who have not so far received / encashed dividend for the aforesaid years are requested to seek payment of dividend by writing to the Company immediately. Members are also requested to note that no claims shall lie against the said fund or the Company in respect of any amounts which were unclaimed and unpaid for seven years from the date they first became due for payment and no payment shall be made in respect of any such claims.

8. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No.
9. Members who are holding shares in physical form are requested to intimate to the Registrar and Transfer Agents (R&TA) of the Company immediately about change in their address, if any.

**TWENTY SIXTH ANNUAL REPORT 2016 - 17**

10. Members may contact the Company at Email: elnet@md4.vsnl.net.in for any query.
11. Members who are holding shares in more than one folio are requested to intimate to the Registrars the details of all their folio numbers for consolidation into a single folio. Members who hold shares in dematerialized form are requested to write their Client ID and DPID and those holding shares in physical form are requested to write their folio no. in the attendance slip while attending the meeting for easy identification at the meeting.
12. Members are requested to
  - i) write to the Company at least seven days before the date of the Meeting, in case they desire any information as regards the Audited Accounts for the Financial year ended 31.03.2017, so as to enable the Company to keep the information ready.
  - ii) Quote registered folio number or Client ID in all the correspondence.
  - iii) Send all share transfer lodgments (physical mode) / correspondence to the Registrar and Share Transfer Agents of the Company.
13. Members are informed that trading and settlement of Company's shares through Stock Exchanges has been made compulsory in Demat (Electronic) form. In view of this mandatory requirement, the members are requested in their own interest to dematerialize their shareholding in the Company.
14. Members are informed that in case of joint holders attending the meeting, only such joint holder who is higher in the order of the names will be entitled to vote.
15. Members/Proxies/Authorised Representatives should bring the enclosed Attendance Slip, duly filled in, for attending the Meeting. Copies of the Annual Report or Attendance Slips will not be distributed at the Meeting.
16. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours upto the date of the Meeting.  
Business hours :      Monday to Friday      -      9.30 A.M to 5.30 P.M  
                                 Saturday                         -      9.30 A.M to 1.00 P.M
17. In respect of shares held in Electronic form, the dividend will be payable to the beneficial owners of the shares as on closing hours of business on 30th June 2017 as per the details furnished by National Securities Depository Limited (NSDL) and Central Depositories Services India Limited (CDSL), the Depositories, for this purpose.
18. Pursuant to Regulation 36 of SEBI (LODR) Regulations 2015 the brief resume/details of the Directors being re-appointed are annexed hereto.

The Reserve Bank of India (RBI), has instructed banks to move to the National Electronic Clearing Services (NECS)/NEFT/RTGS platform. In this regard, please note that if the members have not provided to the company or their Depository Participants (DP), the new Bank account, if any, allotted to them, after implementation of Core Banking Systems (CBS), credit of dividend through NECS/NEFT/RTGS to their old bank account number, may be rejected or returned by the Banking system. In the above circumstances, the members are requested to furnish the new Bank account number, if any, allotted to

them by the Bank after it has implemented the CDS together with the name of the Bank, Branch, nine digit MICR Bank/Branch code, account type by quoting their folio number, DP ID and client ID and photocopy of the cheque pertaining to their new Bank account, so that the dividend can be credited to the said bank account. Members who have not opted or updated their accounts are now requested to opt for this to avoid losses and delays. For availing the NECS/NEFT/RTGS facilities, Members holding shares in physical form should furnish a request in this regard to the Company/Company's Registrar and Share Transfer Agent, unit of Elnet Technologies Limited, (Share Transfer Agent), in the NECS/NEFT/RTGS form available with the company.

19. The Company is obliged to print such bank's details on the Dividend warrants as furnished by the DPs and the company cannot entertain any request for deletion/change of the bank details already printed on the dividend warrant(s), based on the information received from the concerned DPs without confirmation from them. In this regard, members are advised to contact their DPs and furnish them the particulars of any change desired, if not already provided.
20. Pursuant to the provisions of Section 72 of the Companies Act, 2013, the Member(s) holding shares in physical form may nominate, in the prescribed manner, any person to whom all the rights in the shares shall vest in the event of death of the sole holder or all the joint holders. A nomination form for this purpose is available with the Share Transfer Agent. Member(s) holding shares in demat form may contact their respective DPs for availing this facility.
21. Pursuant to Section 101 of Companies Act, 2013 read with the relevant Rules, the Company is allowed to serve documents like notice, annual reports, etc., in electronic form to its Members. Accordingly, the said documents of the Company for the financial year ended March 31, 2017, will be sent in electronic form to those Members who have registered their e-mail address with their DPs and made available to the Company by the Depositories. However, in case a Member wishes to receive a physical copy of the said documents, the Member is requested to send an e-mail duly quoting his DP ID and Client ID or the Folio number, as the case may be, to [elnet@md4.vsnl.net.in](mailto:elnet@md4.vsnl.net.in). Accordingly, the Company shall update its database by incorporating/updating the designated e-mail address in its records. Please note that the said documents will also be uploaded on the website of the company at [www.elnettechnologies.com](http://www.elnettechnologies.com) and made available for inspection at the Registered office of the Company during business hours of the Company with prior notice.
22. Route Map showing directions to reach to the venue of the 26th AGM is given at the end of this Notice as per the requirement of Secretarial Standards-2 on "General Meeting".
23. Members are requested to send all communications relating to shares, unclaimed dividends and change of address, etc. to the Registrar and Share Transfer Agents at the following address:

M/s.Cameo Corporate Services Limited (Unit: Elnet Technologies Limited), "Subramanian Building", 5th Floor, No.1, Club House Road, Chennai 600 002, Tel.No.: 044 – 2846 0390 (6 lines), Fax No.: 044 – 2846 0129

## **TWENTY SIXTH ANNUAL REPORT 2016 - 17**

---

### **ANNEXURE TO THE NOTICE**

#### **EXPLANATORY STATEMENT (PURSUANT TO SECTION 102 OF COMPANIES ACT 2013)**

The following Explanatory Statement sets out all the material facts relating to the Ordinary Business and Special Business under Item No.3, 5 and 6 of the accompanying Notice dated 12th May 2017.

#### **Item No. 3. Appointment of Auditors**

As more than 25% of the paid up capital is held by M/s Electronics Corporation of Tamil Nadu Limited (ELCOT), a Government of Tamil Nadu Undertaking, the appointment or reappointment at each Annual General Meeting of the Auditors of the Company shall be made by a Special Resolution as per Sec 139 and 142 of the Companies Act, 2013. M/s. MZSK & Associates, Chartered Accountants, is being proposed to be appointed as the Statutory Auditors for a period of Five years, till the conclusion of the 31st Annual General Meeting of the company.

None of the directors is interested or concerned in the above said resolution.

None of the key managerial persons of the company either directly or through their relatives are in any way concerned or interested whether financially or otherwise in this resolution.

The Board recommends the special resolution set forth in item no.3 for the approval of the members.

#### **Item No. 5 Appointment of Chairman - Director**

Dr. Rajendra Kumar, IAS, was appointed by the Board of Directors as Chairman - Director on 09.11.2016 in the casual vacancy caused by the resignation of Thiru Atul Anand, IAS, Dr. Rajendra Kumar, IAS, holds office until the ensuing Annual General Meeting and is eligible for reappointment. In respect of his appointment the Company has, as required under Sec 160 of the Companies Act, 2013, received a Notice from a member M/s. Electronics Corporation of Tamil Nadu Limited (ELCOT), Chennai, whose DP ID / CL ID is IN300597 / 10269372 signifying their intention to propose him as a candidate for the office of the Director. His profile is given in the annexure attached to the Notice.

Keeping in view the experience and expertise of Dr. Rajendra Kumar, IAS, his appointment as Chairman - Director of the Company is recommended by the Board for your approval. Dr. Rajendra Kumar, IAS is not liable to retire by rotation.

No director except Dr. Rajendra Kumar, IAS, along with the other nominee directors of ELCOT, Key Managerial Personnel or their relatives, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No.5 for the approval of the members.

#### **Item No. 6 Appointment of Director**

Thiru B Evanesan, was appointed by the Board of Directors as a Director on 09.11.2016, in the casual vacancy caused by the resignation of Thiru P Manivanan and he holds office

until the ensuing Annual General Meeting and is eligible for reappointment. In respect of his appointment the Company has, as required under Sec 160 of the Companies Act, 2013, received a Notice in writing from a member M/s. Electronics Corporation of Tamil Nadu Limited (ELCOT), Chennai, whose DP ID / CL ID is IN300597 / 10269372 signifying their intention to propose him as a candidate for the office of the Director. His profile is given in the annexure attached to the Notice.

Keeping in view the experience and expertise of Thiru B Evanesan, his appointment as a Director of the Company is recommended by the Board for your approval. Thiru B Evanesan is not liable to retire by rotation.

No director except Thiru B Evanesan, along with the other nominee directors of ELCOT, key managerial personnel or their relatives, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No.6 for the approval of the members

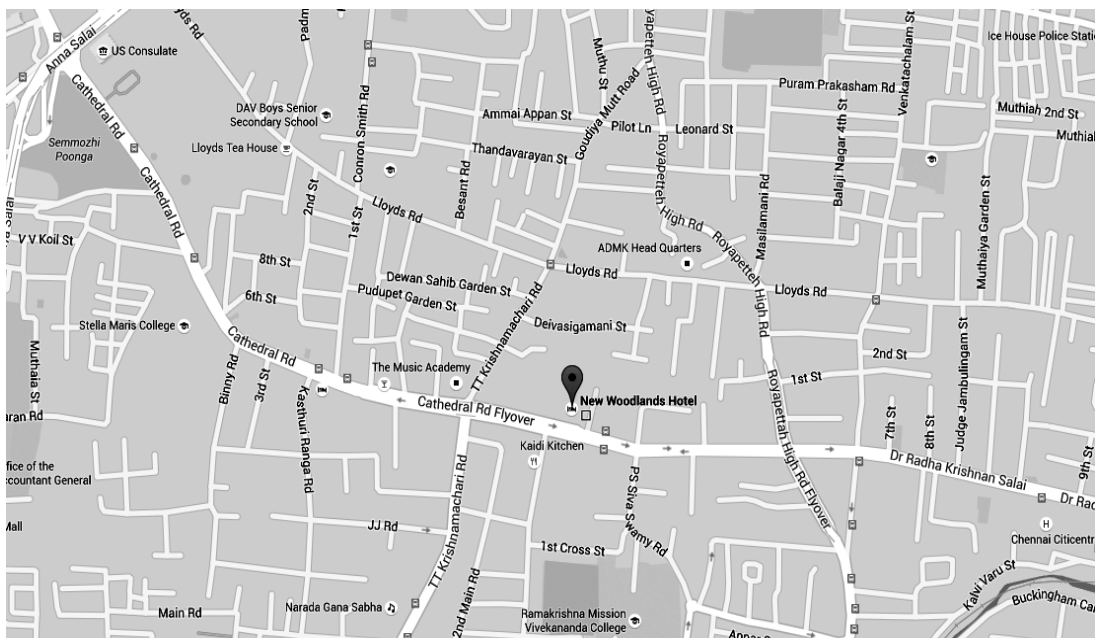
By Order of the Board of Directors  
For Elnet Technologies Limited

Place : Chennai

Date : 12.05.2017

**S. LAKSHMI NARASIMHAN**  
COMPANY SECRETARY

### ROUTE MAP FOR THE VENUE OF THE 26TH ANNUAL GENERAL MEETING



## TWENTY SIXTH ANNUAL REPORT 2016 - 17

INFORMATION ON DIRECTORS RETIRING BY ROTATION SEEKING REAPPOINTMENT AND DIRECTOR PROPOSED TO BE APPOINTED AT THE ANNUAL GENERAL MEETING				
Name	Thiru C. Ramachandran	Dr. Rajendra Kumar, IAS	Thiru B Evanesan	
Date of Birth and age	15.05.1938 & 79 Years	03.01.1967 & 50 Years	20.11.1960 & 56 years	
Appointed on	08.08.2003	09.11.2016	09.11.2016	
Qualification	B.Sc (Hons) MA	IAS and Ph.D	Diploma in Electrical & Electronic Communications	
Experience in specific functional areas	Served in Government in various capacities. Worked in public sector companies and retired as Principal Secretary, Industries Dept., Has specialised in the area of Corporate Management	Currently working as the Principal Secretary, Department of Youth Welfare and Sports Development in the Government of Tamil Nadu. He is also Director of ELCOT. He has served various digital India, e-governance and technology development initiatives. He has received a number of academic and professional awards at national and international levels during his career.	Joined in Elcot on 15th December 1983 and started career as Trainee in Marketing Department Served till 2001 as Deputy Manager. From the year 2002 working in IT promotion and Development Department Looking after IT promotion and ELCOT promoted 8 IT SEZs	
Directorship/Chairmanship held in other public companies	Tamilnadu Petroproducts Ltd - Director	NIL	NIL	NIL
	IG3 Infra Ltd (formerly Indian Green Grid Group Limited - Director			
	Elinet Software City Ltd - Director			
	The Great Indian Linen & Textile Infrastructure Company Pvt. Ltd. - Director			
	ETL Corporate Services Pvt. Ltd - Director			
	ETL Power Services Ltd - Director			
	Appu Hotels Ltd - Director			
Memberships/Chairmanship of Committee across public companies	Tulsian NEC Ltd - Director	NIL	NIL	NIL
	Grand Luxe Hotels Ltd. - Director			
	Tamilnadu Petroproducts Limited Share Transfer & Stakeholders' Relationship Committee- Chairman			
	Audit Committee-Chairman			
	Elinet Technologies Ltd			
	Audit Committee- Member			
	Stakeholders' Relationship Committee- Chairman	NIL	NIL	NIL
	Tulsyan NEC Limited			
	Audit Committee- Member			
	Stakeholders' Relationship Committee- Member			

## E-VOTING FACILITY

As per the section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, e-voting facility is a mandatory requirement for listed companies.

### **The instructions for shareholders voting electronically are as under:**

- 1) The voting period begins on 3rd July, 2017 at 10.00 AM and ends on 5th July, 2017 by 05.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 29th June 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - (ii) Click on Shareholders/Members.
  - (iii) Enter your User ID as categorised below
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - (iv) Enter the Image Verification as displayed.
  - (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - (vi) If you are a first time user follow the steps given below:

PAN	Enter your 10 digit alpha-numeric *PAN <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on the address label.</li> <li>In Case the sequence number is less than 8 digits enter the applicable, 0's before the number after the first Two characters of the name in CAPITAL Letters. Eg. if your Name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	Enter the Date of Birth in dd/mm/yyyy format.



## TWENTY SIXTH ANNUAL REPORT 2016 - 17

Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>
-----------------------	---

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN of Elnet Technologies Limited on which you choose to vote.
- (xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.



(xvii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details, a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts, they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same

(xviii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- 2) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 29th June 2017.
- 3) The Company shall be making arrangement for the members to cast their votes in respect to the business through poll, for members attending the meeting who have not cast their vote by e-voting.
- 4) M/s. BP & Associates, Company Secretaries, have been appointed as the Scrutinizer to scrutinise the e-voting process in a fair and transparent manner.
- 5) The Scrutinizer shall, immediately after the conclusion of voting at the General Meeting, first count the votes cast at the meeting, thereafter unlock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make not later than three days of conclusion of the meeting a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same and Chairman shall declare the results of the voting forthwith, which shall not be later than 05.00 pm., 9th July, 2017.
- 6) The result declared, along with the Scrutinizer’s report shall be placed on the company’s website [www.elnettechnologies.com](http://www.elnettechnologies.com) and on the website of the CDSL after the result is declared by the Chairman and also be communicated to the Stock Exchange where the company is listed.

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

---

### DIRECTORS' REPORT

To

The Members

Your Directors have great pleasure in presenting the TWENTY SIXTH Annual Report together with the Audited Accounts of your Company for the Financial Year ended 31.03.2017.

Members would be happy to note that your company has had a successful year of operation, which resulted in an after tax profit of ₹ 784.88 Lakhs.

### OPERATIONS

The Directors have pleasure in presenting before you the Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March 2017:-

Sl. No.	Particulars	For the year ended 31.03.2017 ₹ in Lakhs	For the year ended 31.03.2016 ₹ in Lakhs
1.	Gross Income	2,495.85	2,414.35
2.	Profit Before Interest and Depreciation	1,541.60	1,396.05
3.	Profit Before Depreciation	1,541.60	1,396.05
4.	Provision for Depreciation	329.78	416.27
5.	Net Profit before exceptional items and Tax	1,211.81	979.78
6.	Exceptional Items	4.42	-
7.	Profit before Tax	1,207.39	979.78
8.	Provision for Tax	422.51	335.17
9.	Net Profit after Tax	784.88	644.61
10.	Balance of Profit brought forward	2,162.47	1,799.70
11.	Balance available for appropriation	2,947.35	2,444.31
12.	Proposed Dividend on Equity Shares	56.00	68.00
13.	Tax on proposed Dividend	11.40	13.84
14.	Transfer to General Reserve	200.00	200.00
15.	Surplus carried to Balance Sheet	2,947.35	2,162.47

### THE STATE OF THE COMPANY'S AFFAIRS :

During the year 2016-17, there was no significant change in the business model of the company.

## **DIVIDEND**

Your Directors are pleased to recommend a dividend of 14% on the Equity Share Capital of the Company for the year ended March 31, 2017. The dividend, if approved by the Shareholders, will be paid out of the profits of the Company for the year to all those equity shareholders whose names appear on the Register of Members of the Company as on 29th June, 2017, being the record date.

## **TRANSFER TO RESERVES**

The Board after apportioning the appropriate amounts to Dividend, approved the transfer of ₹ 200 lakhs (Rupees Two Hundred Lakhs) to General Reserves.

## **FUTURE PROSPECTS**

Your Company currently enjoys 100% occupancy level. There is no proposal for any further expansion at this moment.

## **SUBSIDIARY COMPANY**

The statement pursuant to Sec 129 of the Companies Act, 2013, containing the relevant details of the Company's subsidiary is attached. The Company's investment in its subsidiary, Elnet Software City Limited is ₹ 10 lakhs. Considering the erosion of net worth and the intention of the management to wind-up its subsidiary, it is considered that the diminution in carrying value of the investment in the subsidiary is other than temporary in nature. Consequently, the Company has made a provision for diminution, for an amount ₹ 4,41,981/- and disclosed the same under exceptional item in the statement of Profit and Loss. The company is in the process of closure of its operations through Member's Voluntary Winding Up process.

Further, the report on the performance and financial position of the subsidiary and salient features of the financial statements in the prescribed Form AOC-1 is annexed to this report.

## **BOARD MEETING**

The Board of Directors met 5 times during this financial year. The dates of the meetings were as follows: Please refer Annexure VI - Report on Corporate Governance 1 (a) for Board Composition and Attendance details.

1)06.05.2016	2)29.07.2016	3)09.11.2016
4)27.01.2017	5)22.03.2017	

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

During the year under review the following Directors were appointed:

<b>Date of appointment</b>	<b>Name</b>	<b>Designation</b>
09.11.2016	Dr. Rajendra Kumar, IAS	Chairman - Director
09.11.2016	Thiru. B Evanesan	Non-Executive, Nominee Director

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

---

During the year under review the following Directors resigned:

Date of resignation	Name	Designation
07.09.2016	Thiru. Atul Anand, IAS	Chairman - Director
09.11.2016	Thiru. P Manivanan	Non-Executive, Nominee Director

### **COST AUDITOR**

Pursuant to Section 148 of the Companies Act, 2013 and the Cost Audit Rules 2014 thereof, our company does not fall within the threshold limit prescribed for Cost Auditing.

### **EXTRACT OF THE ANNUAL RETURN**

The details forming part of the extract of the Annual Return in Form MGT 9 as per provisions of the Companies Act, 2013 and Rules thereto are annexed to this report. (Annexure I).

### **INDEPENDENT DIRECTORS' DECLARATION**

The Company has received necessary declaration from each Independent Director in accordance with Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence as laid out in sub-section (6) of Section 149 of the Companies Act, 2013 and the Listing Regulations.

### **RELATED PARTY TRANSACTIONS**

The particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 are enclosed as Annexure III in Form AOC-2.

### **CORPORATE GOVERNANCE**

Your Company follows the principles of effective Corporate Governance Practices. The Company has taken steps to comply with Corporate Governance as per the applicable regulations of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015. This Report is available under the heading "Report on Corporate Governance" and forms part of this Annual Report (Annexure IV).

The Management Discussion and Analysis Report also form part of this Annual Report.

### **LISTING OF SHARES**

Company's share is listed presently in BSE Limited.

### **DEMATERIALISATION OF EQUITY SHARES**

As on 31.03.2017, 37,58,035 numbers of equity shares are held in Dematerialized Form, which constitutes 93.95% of total shareholding.

## **ACCEPTANCE OF FIXED DEPOSITS**

The company has not invited and accepted Fixed Deposits from the public during the Financial year.

## **DIRECTORS**

Under the provisions of the Articles of Association of the Company one of your Director Thiru. C. Ramachandran, (Retd., IAS) retires by rotation at the forth coming Annual General Meeting and being eligible, offers himself for reappointment.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Sec. 134 clause (C) of sub-section (3) of the Companies Act, 2013, the Directors confirm:

- (a) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) that the directors have prepared the annual accounts on a going concern basis; and
- (e) that the directors, in the case of a listed company, have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) that the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

None of the non-executive directors holds any share/convertible instruments in the company

## **CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

As part of its initiatives under "corporate social responsibility" (CSR), the company has contributed a sum of ₹. 17,95,000/- to Vanavasi Kalyan Ashram during the year (2016-17). The Disclosure Report on CSR activities is annexed as Annexure II.

## **STATUTORY AUDITORS**

M/s. S.H. Bhandari & Co, Chartered Accountants, Statutory Auditors of the Company would retire on the conclusion of this 26th Annual General Meeting on completion of their term of

## **TWENTY SIXTH ANNUAL REPORT 2016 - 17**

---

appointment. Since M/s. S.H. Bhandari & Co., Chartered Accountants are not eligible for reappointment as Statutory Auditors of the Company as per Section 139 (6) of the Companies Act, 2013, the Board of Directors on recommendation of the Audit Committee, recommends the appointment of M/s. MZSK & Associates Chartered Accountants (Firm Registration No. 105047W) as Statutory Auditors of the Company to hold office for a first term of 5 years from the conclusion of this i.e. 26th Annual General Meeting until the conclusion of 31st Annual General Meeting. Consent and certificate from the said firm has been received to the effect that their appointment as Statutory Auditors of the Company, if appointed at this 26th Annual General Meeting, would be according to the terms and conditions prescribed under Section 139(1), 141(1) & (2) and 142 of the Companies Act 2013 and Rules framed thereunder. A resolution seeking their appointment forms part of the Notice convening the 26th Annual General Meeting and the same is recommended for your consideration and approval.

There is no qualification, disclaimer, reservation or adverse remark made by the Statutory Auditors in Auditors' Report.

### **INDUSTRIAL RELATIONS**

Industrial relations, during the period under review, continued to remain cordial.

### **PARTICULARS OF EMPLOYEES**

None of the employees of the Company were in receipt of remuneration, which in the aggregate exceeded the limits fixed under Section 134 of the Companies Act, 2013.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

As the company is not an industrial undertaking, particulars with regard to conservation of energy and technology absorption required to be given under these heads in accordance with the provisions of Section 134 (3) (m) of the Companies Act, 2013, read with Rules 8 of Companies (Accounts) Rules, 2014 not applicable.

### **EARNINGS IN FOREIGN EXCHANGE : NIL**

### **EXPENSES INCURRED IN FOREIGN CURRENCY DURING THE YEAR : NIL**

### **BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR/STATE OF COMPANY'S AFFAIR**

As the Company has its operations in one location, the same is not applicable to your company.

### **SHARE CAPITAL**

During the year under review, your Company has not issued any type of Share capital.

---

## **ANNUAL BOARD EVALUATION AND FAMILIARIZING PROGRAMME**

The Board has carried out an annual evaluation of its own performance, the directors and also committees of the Board based on the guideline formulated by the Nomination & Remuneration Committee. Board composition, quality and timely flow of information, frequency of meetings, and level of participation in discussions were some of the parameters considered during the evaluation process. A note on the familiarizing programme adopted by the Company for the orientation and training of the Directors and the Board evaluation process undertaken in compliance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in the Corporate Governance Report which forms part of this Report. Further, the Independent Directors of the Company met once during the year on November 9, 2016 to review the performance of the Non-executive directors, Chairman of the Company and performance of the Board as a whole.

## **POLICY ON NOMINATION AND REMUNERATION AND PERFORMANCE EVALUATION OF DIRECTORS, KMP AND SENIOR MANAGEMENT PERSONNEL**

The Company believes that a diverse and inclusive culture is integral to its success. A diverse Board, among others, will enhance the quality of decisions by utilizing different skills, qualifications, professional experience and knowledge of the Board members necessary for achieving sustainable and balanced development. Accordingly, Board based on the recommendation of the Nomination and Remuneration Committee has formulated a policy on remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The policy covers the appointment, including criteria for determining qualification, positive attributes, independence and remuneration of its Directors, Key Managerial Personnel and Senior Management Personnel. The Nomination and Remuneration Policy may be accessed on the Company's website at the link: [http:// www.elnettechnologies.com/Document/nomination%20and%20remuneration%20policy.pdf](http://www.elnettechnologies.com/Document/nomination%20and%20remuneration%20policy.pdf)

## **VIGIL MECHANISM (Whistle Blower Policy)**

As per Section 177 of the Companies Act, 2013, your company has a well-established vigil policy.

## **SECRETARIAL AUDIT REPORT**

A Secretarial Audit Report given by M/s. BP & Associates, Practicing Company Secretaries, is being annexed in MR 3 Form (Annexure V). There is no qualification, reservation or adverse remark or disclaimer made by the Company Secretary in Practice in the Secretarial Audit Report. As required, under section 204 of the Companies Act, 2013 and rules thereunder, the Board has appointed M/s. BP & Associates, Practicing Company Secretaries, as Secretaries Auditors of the Company for the financial year 2017-18.

## **TWENTY SIXTH ANNUAL REPORT 2016 - 17**

---

### **PARTICULARS OF LOANS, INVESTMENT OR GUARANTEES**

During the year under review, your Company has not provided any loans or Guarantees. The company continues to hold the investment of ₹ 4.00 Crores made in “Axis Hybrid Fund Series 27”, which is a close ended mutual fund.

### **RISK MANAGEMENT POLICY**

Risk Management Policy has been discussed under the head in “Corporate Governance Report”.

### **DISCLOSURE AS REQUIRED UNDER SECTION 22 OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

During the financial year under review, the Company has not received any complaints of sexual harassment from any of the women employees of the Company.

### **MATERIAL CHANGES**

During the year under review, your Company does not have any material changes in the financial position.

### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

All transactions entered into with related parties were in the ordinary course of business. There were no material related party transactions i.e transactions entered into during the year. Accordingly, there are no transactions that are required to be reported in Form AOC 2. None of the Directors or the Key Managerial Personnel has any pecuniary relationships or transactions vis-à-vis the Company. The policy on Related Party Transactions can be accessed through weblink

<http://www.elnettechnologies.com/Document/Related%20Party%20Transaction%20policy.pdf>

### **CONSOLIDATED FINANCIAL STATEMENTS**

As stipulated by Regulation 33 of the SEBI (LODR), Regulations 2015, the consolidated financial statements have been prepared by the Company in accordance with the applicable Accounting Standards. The audited consolidated financial statements together with Auditors' Report form part of the Annual Report. The Company has opted to publish the consolidated financials only for the financial year ended 31st March and for the quarter ended financials, only the standalone financials have been published.



## **SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There have been no significant and material orders passed by the courts or regulators or tribunals impacting the going concern status and Company's operations. However, members' attention is drawn to the statement on contingent liabilities and commitments in the notes forming part of the Financial Statements.

## **ACKNOWLEDGEMENT**

Your Directors wish to express their sincere thanks to the Government of Tamil Nadu, Electronics Corporation of Tamil Nadu Ltd., State Bank of India, Industrial Finance Branch, Chennai, Canara Bank, Tidel Park Branch, Axis Bank, Thiruvannamipur Branch and the Company's customers for their support and co-operation extended during the year. Your Directors also wish to place on record their appreciation for the good work put in by the employees of your Company.

For and on behalf of the Board of Directors,

Place : Chennai  
Date : 12.05.2017

**TMT. UNNAMALAI THIAGARAJAN**  
MANAGING DIRECTOR  
DIN : 00203154

**THIRU K.PADMANABAN**  
DIRECTOR  
DIN : 00297842

## **TWENTY SIXTH ANNUAL REPORT 2016 - 17**

---

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

#### **INDUSTRY STRUCTURE AND DEVELOPMENTS**

Your company is engaged in providing infrastructure to Software and Business Process Outsourcing Industries. The growth and progress of the company depends directly on the prospects of Software and BPO Industry. In the opinion of the Directors, the growth in the Software and BPO Industry is fairly good and the demand for space is expected to remain at the same level.

#### **OPPORTUNITIES, THREATS, RISKS AND CONCERNS**

The consistent growth in the Software and BPO sector and turn around in Software and BPO industry are an opportunity while creation of large-scale commercial space which may create pressure on the rate per sq. ft. as well as occupancy are certain areas of concern.

#### **SEGMENTWISE / PRODUCTWISE PERFORMANCE**

Segment wise / product wise performance is not applicable to your company since it is uni-product Company.

#### **INTERNAL CONTROL SYSTEM AND ADEQUACY**

Your Company's internal control system is well defined and is commensurate with the size and nature of the business. The operations are subject to a detailed internal audit and the company implements the remedial measures suggested by the internal auditors.

#### **MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT**

There were no material developments in relation to Human Resources / Industrial Relations in your Company as the Company has minimum employee strength. The Company has on its roll 14 employees and the rest of the operations are carried through outsourcing.

#### **FINANCIAL PERFORMANCE**

The financial performance of the Company is given separately in the Directors' Report.

#### **CAUTIONARY STATEMENT**

The above statements are as perceived by the directors based on the current scenario and the input available. Any extraneous developments and force majeure conditions may have an impact on the above perception.

<b>Annexure Number</b>	<b>Details of Annexure</b>
I	Annual Return Extracts in MGT 9
II	Disclosure Report on Corporate Social Responsibility
III	Disclosure in Form AOC 2 – Related Party Transactions
IV	Corporate Governance Report
V	Secretarial Audit Report

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

### Annual Return Extracts in MGT 9

#### ANNEXURE - I

##### Form No. MGT-9

##### EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

- i) CIN:-L72300TN1990PLC019459
- ii) Registration Date 01-08-1990
- iii) Name of the Company: M/s.Elnet Technologies Limited
- iv) Category of the Company : Public Company Limited by Shares
- v) Address of the Registered office and contact details ELNET SOFTWARE CITY, TS 140, BLOCK 2&9, RAJIV GANDHI SALAI, TARAMANI, CHENNAI 600 113
- vi) Whether listed company Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent :  
M/s. Cameo Corporate Services Limited  
"Subramanian Building", 5th Floor, No.1, Club House Road, Chennai 600 002

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Renting of Office space	852	100

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING / SUBSIDIARY/ ASSOCIATE COMPANY	% of shares held	Applicable Section
1	Elnet Software City Limited, TS 140, Block 2&9, Rajiv Gandhi Salai, Taramani, Chennai 600 113.	U45209TN2005PLC055728	SUBSIDIARY COMPANY	100%	2 (87) of Companies Act, 2013

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### (i) Category-wise Share Holding

NAME OF THE COMPANY : ELNET TECHNOLOGIES LTD  
 Face Value : ₹ 10/-  
 Paidup Shares as on 01-Apr-2016 : 4000007  
 Paidup Shares as on 31-Mar-2017 : 4000007  
 For the Period From : 01-Apr-2016 to : 31-Mar-2017

Category code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>	<b>SHAREHOLDING OF PROMOTER AND PROMOTER GROUP</b>									
1.	<b>INDIAN</b>									
a.	INDIVIDUALS/HINDU UNDIVIDED FAMILY	369483	0	369483	9.2370	369483	0	369483	9.2370	0.0000
b.	CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	1040006	0	1040006	26.0001	1040006	0	1040006	26.0001	0.0000
c.	BODIES CORPORATE	704372	0	704372	17.6092	704372	0	704372	17.6092	0.0000
d.	FINANCIAL INSTITUTIONS/ BANKS	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	ANY OTHER	0	0	0	0.0000	0	0	0	0.0000	0
	SUB - TOTAL (A)(1)	2113861	0	2113861	52.8464	2113861	0	2113861	52.8464	0.0000
<b>2.</b>	<b>FOREIGN</b>									
a.	INDIVIDUALS (NON- RESIDENT INDIVIDUALS/ FOREIGN INDIVIDUALS)	0	0	0	0.0000	0	0	0	0.0000	0.0000
b.	BODIES CORPORATE	0	0	0	0.0000	0	0	0	0.0000	0.0000
c.	INSTITUTIONS	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	ANY OTHER	0	0	0	0.0000	0	0	0	0.0000	0
	SUB - TOTAL (A)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	TOTAL SHARE HOLDING OF PROMOTER AND PROMOTER GROUP (A) = (A)(1)+(A)(2)	2113861	0	2113861	52.8464	2113861	0	2113861	52.8464	0.0000
<b>B.</b>	<b>PUBLIC SHAREHOLDING</b>									
1.	INSTITUTIONS									
a.	MUTUAL FUNDS/UTI	0	0	0	0.0000	0	0	0	0.0000	0.0000

# TWENTY SIXTH ANNUAL REPORT 2016 - 17

Category code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b.	FINANCIAL INSTITUTIONS/ BANKS	0	0	0	0.0000	0	0	0	0.0000	0.0000
c.	CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	VENTURE CAPITAL FUNDS	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	INSURANCE COMPANIES	0	0	0	0.0000	0	0	0	0.0000	0.0000
f.	FOREIGN INSTITUTIONAL INVESTORS	0	0	0	0.0000	0	0	0	0.0000	0.0000
g.	FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.0000	0	0	0	0.0000	0.0000
h.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
i.	ANY OTHER	0	0	0	0.0000	0	0	0	0.0000	0.0000
	SUB - TOTAL (B)(1)	0	0	0	0.0000	0	0	0	0.0000	0.0000
<b>2.</b>	<b>NON-INSTITUTIONS</b>									
a.	BODIES CORPORATE	122573	9900	132473	3.3118	124504	9900	134404	3.3600	0.0482
b.	INDIVIDUALS -									
	I INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL UPTO RS. 1 LAKH	1094779	236472	1331251	33.2812	1071008	232072	1303080	32.5769	-0.7042
	II INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF RS. 1 LAKH	340097	0	340097	8.5024	348009	0	348009	8.7002	0.1977
c.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	ANY OTHER	0	0	0	0.0000	0	0	0	0.0000	0.0000
	CLEARING MEMBERS	2416	0	2416	0.0603	6696	0	6696	0.1673	0.1069
	HINDU UNDIVIDED FAMILIES	53250	0	53250	1.3312	60008	0	60008	1.5001	0.1689
	NON RESIDENT INDIANS	26659	0	26659	0.6664	33949	0	33949	0.8487	0.1822
		82325	0	82325	2.0581	100653	0	100653	2.5163	0.4581
	<b>SUB - TOTAL (B)(2)</b>	<b>1639774</b>	<b>246372</b>	<b>1886146</b>	<b>47.1535</b>	<b>1644174</b>	<b>241972</b>	<b>1886146</b>	<b>47.1535</b>	<b>0.0000</b>
	<b>TOTAL PUBLIC SHAREHOLDING (B) = (B)(1)+(B)(2)</b>	<b>1639774</b>	<b>246372</b>	<b>1886146</b>	<b>47.1535</b>	<b>1644174</b>	<b>241972</b>	<b>1886146</b>	<b>47.1535</b>	<b>0.0000</b>
	<b>TOTAL (A)+(B)</b>	<b>3753635</b>	<b>246372</b>	<b>4000007</b>	<b>100.0000</b>	<b>3758035</b>	<b>241972</b>	<b>4000007</b>	<b>100.0000</b>	<b>0.0000</b>

Category code	Category of Shareholder	No. of shares held at the beginning of the year			No. of shares held at the end of the year			% Change during the year
		Demat	Physical	Total	Demat	Physical	Total	
C.	SHARES HELD BY CUSTODIANS AND AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED							
	Promoter and Promoter Group	0	0	0	0	0	0	0.0000
	Public	0	0	0	0	0	0	0.0000
	TOTAL CUSTODIAN (C)	0	0	0	0	0	0	0.0000
	GRAND TOTAL (A)+(B)+(C)	3753635	246372	4000007	3758035	241972	4000007	0.0000

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)

##### ii) Shareholding of promoters

Name of the Company : Elnet Technologies Ltd

Sl No	Shareholder's Name	Shareholding at the beginning of the year		Shareholding at the end of the year				% change in shareholding during the year	FOLIO/DP_CL_ID	PAN	Pledged Shares at beginning of the Year	Pledged Shares at end of the Year
		No of shares	% of total shares of the company	No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	% of shares pledged / encumbered to total shares					
1	ELECTRONICS CORPORATION OF TAMILNADU LTD	1040006	26.0001	0.0000	1040006	26.0001	0.0000	0.0000	IN30059710269372	AAACE1670K	0	0
2	STUR TECHNOLOGIES PVT LTD	450000	11.2499	0.0000	450000	11.2499	0.0000	0.0000	IN30048414280674	AABCN2738A	0	0
3	SHANMUGAM THIAGARAJAN	369483	9.2370	0.0000	369483	9.2370	0.0000	0.0000	1301740000164995	DZCPS9718F	0	0
4	SOUTHERN PROJECTS MANAGEMENT PVT LTD	254371	6.3592	0.0000	254371	6.3592	0.0000	0.0000	IN30048413511068	AAKCS9432P	0	0
5	STUR PROJECTS MANAGEMENT PVT LTD	1	0.0000	0.0000	1	0.0000	0.0000	0.0000	IN30048414288023	AABCN2739B	0	0

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)**  
**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**  
**Name of the Company : ELNET TECHNOLOGIES LTD**

Sl. No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year		FOLIO/DP_CL_ID	PAN
		No of shares	% of total shares of the company	No of shares	% of total shares of the company		
1	ELECTRONICS CORPORATION OF TAMILNADU LTD						
	At the beginning of the year 01-Apr-2016	1040006	26.0001	1040006	26.0001	IN30059710269372	AAACE1670K
	At the end of the Year 31-Mar-2017	1040006	26.0001	1040006	26.0001		
2	STUR TECHNOLOGIES PVT LTD						
	At the beginning of the year 01-Apr-2016	450000	11.2499	450000	11.2499	IN30048414280674	AABCN2738A
	At the end of the Year 31-Mar-2017	450000	11.2499	450000	11.2499		
3	SHANMUGAM THIAGARAJAN .						
	At the beginning of the year 01-Apr-2016	369483	9.2370	369483	9.2370	13017400000164995	DZCPS9718F
	At the end of the Year 31-Mar-2017	369483	9.2370	369483	9.2370		
4	SOUTHERN PROJECTS MANAGEMENT PVT LTD						
	At the beginning of the year 01-Apr-2016	254371	6.3592	254371	6.3592	IN30048413511068	AAKCS9432P
	At the end of the Year 31-Mar-2017	254371	6.3592	254371	6.3592		
5	STUR PROJECTS MANAGEMENT PVT LTD						
	At the beginning of the year 01-Apr-2016	1	0.0000	1	0.0000	IN30048414288023	AABCN2739B
	At the end of the Year 31-Mar-2017	1	0.0000	1	0.0000		



**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)**  
**(iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**  
**Name of the Company : Elnet Technologies Ltd**

Sl No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year		FOLIO/DP_CL_ID	PAN
		No of shares	% of total shares of the company	No of shares	% of total shares of the company		
1	VINAY RAO K						
	At the beginning of the year 01-Apr-2016	61200	1.5299	61200	1.5299	IN30018310939079	ACAPR7839Q
	Purchase 21-Oct-2016	400	0.0099	61600	1.5399		
	Sale 28-Oct-2016	-100	0.0024	61500	1.5374		
	Sale 02-Dec-2016	-300	0.0074	61200	1.5299		
	At the end of the Year 31-Mar-2017	61200	1.5299	61200	1.5299		
2	SANGEETHA S						
	At the beginning of the year 01-Apr-2016	54160	1.3539	54160	1.3539	IN30131320493057	AIJPS3739F
	Purchase 08-Apr-2016	1158	0.0289	55318	1.3829		
	Purchase 02-Sep-2016	372	0.0092	55690	1.3922		
	Sale 14-Oct-2016	-55690	1.3922	0	0.0000		
	At the end of the Year 31-Mar-2017	0	0.0000	0	0.0000		
3	SUBRAMANIAN P						
	At the beginning of the year 01-Apr-2016	39965	0.9991	39965	0.9991	IN30131320493031	AMBPS8931K
	Purchase 14-Oct-2016	85080	2.1269	125045	3.1261		
	Purchase 28-Oct-2016	1544	0.0385	126589	3.1647		
	Purchase 11-Nov-2016	1811	0.0452	128400	3.2099		
	Purchase 02-Dec-2016	600	0.0149	129000	3.2249		
	Purchase 23-Dec-2016	455	0.0113	129455	3.2363		
	Purchase 30-Dec-2016	193	0.0048	129648	3.2411		
	Purchase 27-Jan-2017	352	0.0087	130000	3.2499		
	Purchase 03-Feb-2017	1400	0.0349	131400	3.2849		
	Purchase 10-Mar-2017	1150	0.0287	132550	3.3137		
	Purchase 17-Mar-2017	900	0.0224	133450	3.3362		
	At the end of the Year 31-Mar-2017	133450	3.3362	133450	3.3362		
4	ARUN MITTAL						
	At the beginning of the year 01-Apr-2016	37803	0.9450	37803	0.9450	IN30068510389916	AALPM9125H
	At the end of the Year 31-Mar-2017	37803	0.9450	37803	0.9450		

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

Sl No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year		FOLIO/DP_CL_ID	PAN
		No of shares	% of total shares of the company	No of shares	% of total shares of the company		
5	CAMEL FOODS PVT LTD.						
	At the beginning of the year 01-Apr-2016	33753	0.8438	33753	0.8438	IN30072410100262	AABCC2934P
	Sale 13-May-2016	-14025	0.3506	19728	0.4931		
	Sale 20-May-2016	-8369	0.2092	11359	0.2839		
	Sale 27-May-2016	-1109	0.0277	10250	0.2562		
	Sale 30-Jun-2016	-65	0.0016	10185	0.2546		
	Sale 01-Jul-2016	-6620	0.1654	3565	0.0891		
	Sale 15-Jul-2016	-1327	0.0331	2238	0.0559		
	Sale 05-Aug-2016	-331	0.0082	1907	0.0476		
	Purchase 26-Aug-2016	1140	0.0284	3047	0.0761		
	Sale 30-Sep-2016	-3047	0.0761	0	0.0000		
	Purchase 25-Nov-2016	199	0.0049	199	0.0049		
	Purchase 30-Dec-2016	1000	0.0249	1199	0.0299		
	Sale 13-Jan-2017	-1199	0.0299	0	0.0000		
	Purchase 31-Mar-2017	20880	0.5219	20880	0.5219		
	At the end of the Year 31-Mar-2017	20880	0.5219	20880	0.5219		
6	RAMESH CHAND S						
	At the beginning of the year 01-Apr-2016	27734	0.6933	27734	0.6933	IN30226910242099	AACPJ8788N
	Purchase 04-Nov-2016	1	0.0000	27735	0.6933		
	At the end of the Year 31-Mar-2017	27735	0.6933	27735	0.6933		
7	DHEERAJ KUMAR LOHIA						
	At the beginning of the year 01-Apr-2016	26772	0.6692	26772	0.6692	1201880000001155	AHCPK2417L
	Sale 03-Feb-2017	-8000	0.1999	18772	0.4692		
	Sale 24-Mar-2017	-11836	0.2958	6936	0.1733		
	Sale 31-Mar-2017	-6307	0.1576	629	0.0157		
	At the end of the Year 31-Mar-2017	629	0.0157	629	0.0157		
8	SAVITHA S						
	At the beginning of the year 01-Apr-2016	24958	0.6239	24958	0.6239	IN30131320493065	AJPS2695E
	Purchase 02-Sep-2016	312	0.0077	25270	0.6317		
	Sale 14-Oct-2016	-25270	0.6317	0	0.0000		
	At the end of the Year 31-Mar-2017	0	0.0000	0	0.0000		

Sl No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year		FOLIO/DP_CL_ID	PAN
		No of shares	% of total shares of the company	No of shares	% of total shares of the company		
9	K C ANURADHA						
	At the beginning of the year 01-Apr-2016	19599	0.4899	19599	0.4899	IN30290242088165	AIIPK8651K
	At the end of the Year 31-Mar-2017	19599	0.4899	19599	0.4899		
10	"KAMILA ANIL KUMAR GARG JT1 : ANIL KUMAR GARG"						
	At the beginning of the year 01-Apr-2016	14033	0.3508	14033	0.3508	IN30051310296072	ABBPG6522B
	Purchase 15-Apr-2016	285	0.0071	14318	0.3579		
	Sale 13-May-2016	-1642	0.0410	12676	0.3168		
	Sale 20-May-2016	-4300	0.1074	8376	0.2093		
	Sale 03-Jun-2016	-565	0.0141	7811	0.1952		
	Sale 30-Jun-2016	-1235	0.0308	6576	0.1643		
	Sale 08-Jul-2016	-3085	0.0771	3491	0.0872		
	Sale 22-Jul-2016	-500	0.0124	2991	0.0747		
	Purchase 05-Aug-2016	793	0.0198	3784	0.0945		
	Purchase 25-Nov-2016	317	0.0079	4101	0.1025		
	Purchase 24-Mar-2017	5530	0.1382	9631	0.2407		
	Sale 31-Mar-2017	-4071	0.1017	5560	0.1389		
	At the end of the Year 31-Mar-2017	5560	0.1389	5560	0.1389		
11	NEW TOP 10 AS ON (31-Mar-2017) "MOTILAL OSWAL SECURITIES LTD - CLIENT ACCOUNT"						
	At the beginning of the year 01-Apr-2016	0	0.0000	0	0.0000	1201090000007179	AAACD3654Q
	Purchase 06-May-2016	16	0.0003	16	0.0003		
	Purchase 13-May-2016	88	0.0021	104	0.0025		
	Purchase 20-May-2016	99	0.0024	203	0.0050		
	Sale 27-May-2016	-203	0.0050	0	0.0000		
	Purchase 30-Jun-2016	200	0.0049	200	0.0049		
	Purchase 01-Jul-2016	250	0.0062	450	0.0112		
	Sale 08-Jul-2016	-450	0.0112	0	0.0000		
	Purchase 15-Jul-2016	365	0.0091	365	0.0091		
	Sale 22-Jul-2016	-308	0.0076	57	0.0014		
	Sale 29-Jul-2016	-57	0.0014	0	0.0000		
	Purchase 30-Sep-2016	300	0.0074	300	0.0074		

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

Sl No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year		FOLIO/DP_CL_ID	PAN
		No of shares	% of total shares of the company	No of shares	% of total shares of the company		
	Purchase 14-Oct-2016	150	0.0037	450	0.0112		
	Sale 21-Oct-2016	-187	0.0046	263	0.0065		
	Purchase 28-Oct-2016	714	0.0178	977	0.0244		
	Sale 04-Nov-2016	-977	0.0244	0	0.0000		
	Purchase 18-Nov-2016	34	0.0008	34	0.0008		
	Sale 25-Nov-2016	-34	0.0008	0	0.0000		
	Purchase 27-Jan-2017	100	0.0024	100	0.0024		
	Purchase 03-Feb-2017	29989	0.7497	30089	0.7522		
	Purchase 10-Feb-2017	2837	0.0709	32926	0.8231		
	Sale 17-Feb-2017	-2926	0.0731	30000	0.7499		
	Purchase 24-Feb-2017	41	0.0010	30041	0.7510		
	Sale 03-Mar-2017	-41	0.0010	30000	0.7499		
	Purchase 10-Mar-2017	23	0.0005	30023	0.7505		
	Sale 17-Mar-2017	-23	0.0005	30000	0.7499		
	Sale 24-Mar-2017	-3	0.0000	29997	0.7499		
	Purchase 31-Mar-2017	41	0.0010	30038	0.7509		
	At the end of the Year 31-Mar-2017	30038	0.7509	30038	0.7509		
	HAVING SAME PAN						
11	"MOTILAL OSWAL SECURITIES LTD - DERIVATIVES MARGIN"						
	At the beginning of the year 01-Apr-2016	100	0.0024	100	0.0024	1201090000252528	AAACD3654Q
	Sale 16-Dec-2016	-100	0.0024	0	0.0000		
	At the end of the Year 31-Mar-2017	0	0.0000	0	0.0000		
	HAVING SAME PAN						
11	MOTILAL OSWAL SECURITIES LTD						
	At the beginning of the year 01-Apr-2016	0	0.0000	0	0.0000	1100001000012619	AAACD3654Q
	Purchase 20-May-2016	153	0.0038	153	0.0038		
	Sale 27-May-2016	-153	0.0038	0	0.0000		
	Purchase 30-Jun-2016	630	0.0157	630	0.0157		
	Sale 01-Jul-2016	-630	0.0157	0	0.0000		
	Purchase 08-Jul-2016	135	0.0033	135	0.0033		
	Sale 15-Jul-2016	-35	0.0008	100	0.0024		
	Sale 22-Jul-2016	-100	0.0024	0	0.0000		

Sl No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year		FOLIO/DP_CL_ID	PAN
		No of shares	% of total shares of the company	No of shares	% of total shares of the company		
	Purchase 05-Aug-2016	600	0.0149	600	0.0149		
	Sale 12-Aug-2016	-600	0.0149	0	0.0000		
	Purchase 09-Sep-2016	600	0.0149	600	0.0149		
	Sale 16-Sep-2016	-600	0.0149	0	0.0000		
	Purchase 23-Sep-2016	100	0.0024	100	0.0024		
	Sale 30-Sep-2016	-100	0.0024	0	0.0000		
	Purchase 14-Oct-2016	225	0.0056	225	0.0056		
	Sale 21-Oct-2016	-225	0.0056	0	0.0000		
	Purchase 13-Jan-2017	50	0.0012	50	0.0012		
	Purchase 20-Jan-2017	4089	0.1022	4139	0.1034		
	Sale 27-Jan-2017	-4139	0.1034	0	0.0000		
	Purchase 03-Feb-2017	1200	0.0299	1200	0.0299		
	Sale 10-Feb-2017	-650	0.0162	550	0.0137		
	Sale 17-Feb-2017	-500	0.0124	50	0.0012		
	Purchase 24-Feb-2017	221	0.0055	271	0.0067		
	Sale 03-Mar-2017	-271	0.0067	0	0.0000		
	Purchase 10-Mar-2017	1741	0.0435	1741	0.0435		
	Sale 17-Mar-2017	-1521	0.0380	220	0.0054		
	Purchase 24-Mar-2017	255	0.0063	475	0.0118		
	Sale 31-Mar-2017	-157	0.0039	318	0.0079		
	At the end of the Year 31-Mar-2017	318	0.0079	318	0.0079		
12	"MELITA DSOUZA JT1 : PETER DSOUZA"						
	At the beginning of the year 01-Apr-2016	4000	0.0999	4000	0.0999	IN30040910167504	AAEPD4384L
	Purchase 08-Apr-2016	500	0.0124	4500	0.1124		
	Purchase 06-May-2016	500	0.0124	5000	0.1249		
	Purchase 27-May-2016	4000	0.0999	9000	0.2249		
	Purchase 03-Jun-2016	65	0.0016	9065	0.2266		
	Purchase 08-Jun-2016	1935	0.0483	11000	0.2749		
	Purchase 17-Jun-2016	244	0.0060	11244	0.2810		
	Purchase 24-Jun-2016	756	0.0188	12000	0.2999		
	Purchase 30-Jun-2016	1000	0.0249	13000	0.3249		
	At the end of the Year 31-Mar-2017	13000	0.3249	13000	0.3249		

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

Sl No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year		FOLIO/DP_CL_ID	PAN
		No of shares	% of total shares of the company	No of shares	% of total shares of the company		
13	SAVITA ARYA						
	At the beginning of the year 01-Apr-2016	0	0.0000	0	0.0000	IN30267930429809	ABFPA9549Q
	Purchase 10-Mar-2017	200	0.0049	200	0.0049		
	Purchase 17-Mar-2017	1968	0.0491	2168	0.0541		
	Purchase 24-Mar-2017	5832	0.1457	8000	0.1999		
	Purchase 31-Mar-2017	4000	0.0999	12000	0.2999		
	At the end of the Year 31-Mar-2017	12000	0.2999	12000	0.2999		
14	VIJAY P WADHWA						
	At the beginning of the year 01-Apr-2016	12901	0.3225	12901	0.3225	IN30051311539564	AAAPW4110D
	Sale 28-Oct-2016	-751	0.0187	12150	0.3037		
	Purchase 04-Nov-2016	450	0.0112	12600	0.3149		
	Sale 11-Nov-2016	-450	0.0112	12150	0.3037		
	Purchase 18-Nov-2016	450	0.0112	12600	0.3149		
	Sale 13-Jan-2017	-1000	0.0249	11600	0.2899		
	Sale 10-Feb-2017	-350	0.0087	11250	0.2812		
	At the end of the Year 31-Mar-2017	11250	0.2812	11250	0.2812		

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)

##### (v) Shareholding of Directors and Key Managerial Personnel:

Name of the Company : ELNET TECHNOLOGIES LTD

Sl No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year		FOLIO/DP_CL_ID	PAN
		No of shares	% of total shares of the company	No of shares	% of total shares of the company		
1	UNNAMALAI THIAGARAJAN						
	At the beginning of the year 01-Apr-2016	500	0.0124	500	0.0124	1301740000123099	ABFPT9557K
	At the end of the Year 31-Mar-2017	500	0.0124	500	0.0124		

#### V. INDEBTEDNESS

##### Indebtedness of the Company including interest outstanding / accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the year</b>				
i) Principal Amount				
a) Shri Shanmugham Thiagarajan	-	3,66,24,742.00	-	3,66,24,742.00
b) Stur Technologies Pvt. Ltd	-	60,09,141.00	-	60,09,141.00
ii) Interest due but not paid	-		-	
iii) Interest accrued but not due	-		-	
<b>Total (i+ii+iii)</b>	-	4,26,33,883	-	4,26,33,883
<b>Indebtedness at the end of the year</b>				
i) Principal Amount				
a) Shri Shanmugham Thiagarajan	-	3,66,24,742	-	3,66,24,742
b) Stur Technologies Pvt. Ltd	-	60,09,141	-	60,09,141
ii) Interest due but not paid	-		-	
iii) Interest accrued but not due	-		-	
<b>Total (i+ii+iii)</b>	-	4,26,33,883	-	4,26,33,883

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

---

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Total remuneration paid to Tmt. Unnamalai Thiagarajan, Managing Director, during the Financial Year 2016-17 is ₹.14,00,000/-. No other perks and other allowances were paid.

#### B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors	Total Amount (in ₹)
1	Independent Directors • Fee for attending board committee meetings • Commission • Others, please specify	As per annexure I	3,64,000/-
2	Other Non-Executive Directors • Fee for attending board committee meetings • Commission • Others, please specify	As per annexure II	2,94,000/-
	Total (1+2)		6,58,000/-
	Total (A+B) Remuneration		<b>20,58,000/-</b>
	Overall Ceiling as per the Act		<b>61,48,331/-</b>



## ANNEXURE I

S. No.	Name	Category	Board Meetings	Share Transfer Committee Meetings	Stakeholder Relationship Committee Meetings	Audit Committee Meeting	Corporate Social Responsibility committee	Meeting of Independent Directors	Total Amount in ₹
1	Thiru G. Chellakrishna	Non-Executive Independent Director	35,000	-	-	28,000	-	7,000	70,000
2	Dr.V. Dharmalingam	Non-Executive Independent Director	7,000	-	-	-	-	-	7,000
3	Thiru R Ganapathi	Non-Executive Independent Director	21,000	-	14,000	14,000	-	7,000	56,000
4	Thiru H Karthik Seshadri	Non-Executive Independent Director	21,000	56,000	28,000	14,000	7000	7,000	1,33,000
5	Thiru G. Senrayaperumal	Non-Executive Independent Director	21,000	-	-	-	-	7,000	28,000
6	Thiru K. Kasim	Non-Executive Independent Director	35,000	-	-	28,000	-	7,000	70,000
<b>GRAND TOTAL</b>									<b>3,64,000</b>

## ANNEXURE II

S. No.	Name	Category	Board Meetings	Share Transfer Committee Meetings	Stakeholder Relationship Committee Meetings	Audit Committee Meeting	Corporate Social Responsibility committee	Total Amount in ₹
1	Dr. Rajendra Kumar, IAS	Non-Executive Nominee Director	-	-	-	-	-	-
2	Thiru K Padmanaban	Non-Executive Nominee Director	21,000	-	-	21,000	-	42,000
3	Thiru P. Manivanan	Non-Executive Nominee Director	14,000	-	-	-	-	14,000
4	Thiru B Evanesan	Non-Executive Nominee Director	14,000	-	-	-	-	14,000
5	Thiru C Ramachandran	Non-Executive Director	28,000	63,000	21,000	21,000	-	133,000
6	Thiru J Ravi	Non-Executive Director	35,000	49,000	-	-	7,000	91,000
GRAND TOTAL								2,94,000

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1	Gross salary				
	(a) (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	8.16	19.59	27.75
	(b) V(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	0.15	0.15	0.30
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total</b>		<b>8.31</b>	<b>19.74</b>	<b>28.05</b>

## **PARTICULARS OF REMUNERATION:**

The information required under Section 197 of the Act and the Rules made there under, in respect of employees of the Company, is as follows :

- (a) **The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:**

<b>Name of Person</b>	<b>Ratio to Median Remuneration</b>
Tmt. Unnamalai Thiagarajan - Managing Director	2.80

- (b) **The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:**

<b>Name of Person</b>	<b>% Increase in Remuneration</b>
Tmt. Unnamalai Thiagarajan - Managing Director	Nil
Tr. T.K. Karthik - Chief Financial Officer	21%
Tr. S. LakshmiNarasimhan - Company Secretary	10%

- (c) **The percentage increase in the median remuneration of employees in the financial year**

14.00%

- (d) **The number of permanent employees on the rolls of company**

14

- (e) **The explanation on the relationship between average increase in remuneration and company performance**

The increase in remuneration is in line with the market trends

- (f) **Comparison of the remuneration of the Key Managerial Personnel against the performance of the company**

<b>Particulars</b>	<b>₹ in Lakhs</b>
Remuneration of Key Managerial Personnel (KMP) during financial year 2016-17 (aggregated)	42.05
Revenue from operations	2266.60
Remuneration (as % of revenue)	1.86%
Profit before tax (PBT)	1207.39
Remuneration (as % of PBT)	3.48%

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

- (g) **Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies**

Particulars	As at 31st Mar 17	As at 31st Mar 16	Variation %
Closing rate of share at BSE ( ₹ )	126.25	71.90	0.76
EPS ( ₹ )	19.62	16.12	0.22
Market Capitalization ( ₹ in Lakhs )	5,050.01	2,876.01	0.97
Price Earnings Ratio	6.43	4.46	0.44

- (h) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.**

The average increase in salaries of employees other than managerial personnel in 2016-17 was 14 %. Percentage increase in managerial remuneration excluding MD for the year was 14 % and there were no increase in remuneration of the Managing Director. The increase in remunerations is in line with the market trends

- (i) **Comparison of each remuneration of the Key Managerial Personnel against the performance of the company**

Particulars	Managing Director	Chief Financial Officer	Company Secretary
Remuneration ( ₹ in Lakhs )	14.00	19.74	8.31
Revenue ( ₹ in Lakhs )	2266.60	2266.60	2266.60
Remuneration (as % of revenue)	0.62%	0.87%	0.37%
Profits before tax (PBT) ( ₹ in Lakhs)	1207.39	1207.39	1207.39
Remuneration (as % of PBT)	1.16%	1.63%	0.69%

- (j) **The key parameters for any variable component of remuneration availed by the directors;**

Not applicable

- (k) **Affirmation that the remuneration is as per the remuneration policy of the company.**

The Company affirms remuneration is as per the remuneration policy of the Company.

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

### ANNEXURE II

#### DISCLOSURE REPORT ON CSR ACTIVITIES

- As per the Companies Act, 2013, Elnet Technologies Limited has a policy of Corporate Social Responsibility (hereinafter referred as CSR) whereby it is mandatory to spend at least 2% of average net profits of the immediately preceding 3 financial years on "CSR" activities.  
CSR involves incurring costs that do not provide an immediate financial benefit to the Corporates, but instead promote positive social and environmental change. In line with the above, Elnet's CSR policy is designed keeping in mind the vision, mission, socio economic environment and capacities of the company. The policy on CSR can be viewed under [www.elnettechnologies.com](http://www.elnettechnologies.com)

- The Composition of the CSR Committee is as mentioned below:

Sl.No.	Name and Designation	Category
1)	Thiru J.Ravi	Chairman Non-Executive Director
2)	Thiru H. Karthik Seshadri	Non-Executive Independent Director
3)	Thiru K. Padmanaban	Non-Executive Director

- Average net profit of the company for last three financial years : ₹ 897.26 Lakhs
- Prescribed CSR Expenditure (Two percent of the amount) : ₹ 17.95 lakhs
- Details of CSR spent during the financial year: ₹ 17.95 Lakhs
  - Total amount to be spent for the financial year: ₹ 17.95 Lakhs
  - Amount unspent, if any: ₹ NIL
  - Manner in which the amount spent during the financial year is detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs (1) Local area or other (2) Specify the State and District where projects or program was undertaken	Amount outlay (budget) project or programwise	Amount spent on the Projects or Programs Sub-Heads: (1)Direct Expenditure on projects or programs (2)Overheads	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
1	Medical expenses and transportation expenses for health worker project, Sanitation facility for girls hostel	Promoting Health Care and Sanitation	Maharashtra	₹ 17,95,000/-	₹ 17,95,000/-	NA	Through Implementing Agency*
	TOTAL			₹ 17,95,000/-	₹ 17,95,000/-		

\* Implementing Agency : Vanavasi Kalyan Ashram

- In case the Company, has failed to spend the two percent of the average net profit of the last three financial years and part thereof, the Company, shall provide reason for not spending the amount in its Board Report : Not Applicable
- The Responsibility Statement of the Corporate Social Responsibility (CSR) Committee of the Board of Directors of the Company, is reproduced below:  
The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.

Place : Chennai  
Date : 12.05.2017

**UNNAMALAI THIAGARAJAN**  
Managing Director  
DIN : 00203154

**J.RAVI**  
(Chairman CSR Committee)  
DIN : 00042953

## ANNEXURE - III

### FORM NO. AOC.2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto (Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Details of material contracts or arrangement or transactions at arm's length basis

- (a) Name(s) of the related party and nature of relationship
- (b) Nature of contracts/arrangements/transactions
- (c) Duration of the contracts/arrangements/transactions
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
- (e) Date(s) of approval by the Board, if any:
- (f) Amount paid as advances, if any:

Form shall be signed by the persons who have signed the Board's report.

#### Related Party Disclosures

<b>I. Name of the related party</b>	<b>Electronic Corporation of Tamil Nadu Ltd (ELCOT)</b>
Description of the relationship between the parties	Joint venture partner holding 26% Equity capital of the company
Description of the nature of transaction	Lease of land presently occupied by the Company. 1. Land Lease Rentals. 2. Web hosting charges. 3. Sitting fees.
Volume of transactions	1. ₹1/- towards lease rent. (2016: ₹1/-) 2. Web hosting charges ₹Nil. (2016 : ₹ 8,550/-) 3. Sitting fees ₹70,000. (2016: ₹ 91,000)
Any other element of the transaction necessary for understanding the transaction	Nil
Amount outstanding at the balance sheet date	₹11,03,25,257 (2016: ₹11,03,25,257)
Amount written back during the year	Nil

<b>II Name of the related party</b>	<b>Elnet Software City Limited</b>
Description of the relationship between the parties	Subsidiary Company
Description of the nature of transaction	Investment in equity shares
Volume of transactions	Nil (2016: NIL)
Any other element of the transaction necessary for understanding the transaction	None
Amount outstanding at the balance sheet date	NIL (2016: NIL)
Amount written back during the year	NIL

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

<b>III Name of the related party</b>	<b>IG3 Infra Ltd (Formerly Indian Green Grid Group Ltd)</b>
Description of the relationship between the parties	A company in which Managing Director is also the Managing Director
Description of the nature of transaction	Investment in equity shares
Volume of transactions	NIL (2016: NIL )
Any other element of the transaction necessary for understanding the transaction	None
Amount outstanding at the balance sheet date	NIL (2016: NIL)
Amount written back during the year	NIL

<b>IV Name of the related party</b>	<b>Stur Technologies Pvt Ltd., (Formerly New Era Technologies Pvt Ltd)</b>
Description of the relationship between the parties	Promoter
Description of the nature of transaction	(a) The unsecured loan from the company to the tune of ₹ 60,09,141/- continues to exist. (b) Interest of ₹1,46,503/- payable on FD made out of disputed dividend for the years 2000-01 and 2001-02
Volume of transactions	NIL
Any other element of the transaction necessary for understanding the transaction	None
Amount outstanding at the balance sheet date	(a) ₹60,09,141/- (2016: ₹ 60,09,141/-) (b) ₹1,46,503/- (2016: ₹1,46,503)
Amount written back during the year	NIL

<b>V Name of the related party</b>	<b>Shri. Shanmugham Thiagarajan (Formerly Shri Thiagaraj S Chettiar)</b>
Description of the relationship between the parties	Spouse of Managing Director
Description of the nature of transaction	Unsecured Loan of ₹ 3,66,24,742/- (2016: ₹ 3,66,24,742/-)
Volume of transactions	NIL
Any other element of the transaction necessary for understanding the transaction	None
Amount outstanding at the balance sheet date	₹ 3,66,24,742/- (2016: ₹ 3,66,24,742)
Amount written back during the year	NIL



## KEY MANAGEMENT PERSONNEL

<b>VI Name of the related party</b>	<b>Mrs. Unnamalai Thiagarajan</b>
Description of the relationship between the parties	Managing Director of the Company
Description of the nature of transaction	Remuneration
Volume of transactions	₹ 14,00,000/- (2016: ₹ 14,00,000)
Any other element of the transaction necessary for understanding the transaction	NIL
Amount outstanding at the balance sheet date	NIL
Amount written back during the year	NIL

For and on behalf of the Board of Directors,

Place : Chennai      **TMT. UNNAMALAI THIAGARAJAN**      **THIRU K PADMANABAN**  
Date : 12.05.2017      **MANAGING DIRECTOR**      **DIRECTOR**  
DIN : 00203154      DIN : 00297842

## CERTIFICATION BY MANAGING DIRECTOR (MD) AND CHIEF FINANCIAL OFFICER (CFO) TO THE BOARD

### (Pursuant to Regulation 17(8) of SEBI(LODR) Regulations, 2015)

In terms of Regulation 17(8) of SEBI (LODR) Regulations, 2015, We, Tmt. Unnamalai Thiagarajan, Managing Director and Thiru T.K. Karthik, Chief Financial Officer of Elnet Technologies Limited, certify that:

- We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
  - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - These statements together present a true and fair view of the state of affairs of the company and are in compliance with existing accounting standards, applicable laws and regulations.
- There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- We accept overall responsibility for establishing and maintaining internal control for financial reporting. This is monitored by the internal audit function, which encompasses the examination and evaluation of the adequacy and effectiveness of internal control. The internal auditor works with all levels of management and statutory auditors and reports significant issues to the audit committee of the Board. The auditors and audit committee are appraised of any corrective action taken with regard to significant deficiencies in the design or operation of internal controls.

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

---

4. We indicate to the auditors and to the audit committee:
- a) Significant changes in internal control over financial reporting during the year;
  - b) Significant changes in accounting policies during the year; and that the same have been disclosed in the notes to the financial statements; and
  - c) Instances of significant fraud of which we have become aware of and which involve management or other employees having significant role in the company's internal control system and financial reporting. However, during the year there was no such instance.

Place : Chennai

**UNNAMALAI THIAGARAJAN**

**THIRU T.K.KARTHIK**

Date : 12.05.2017

MANAGING DIRECTOR

Chief Financial Officer

### **CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE**

#### **TO THE MEMBERS OF ELNET TECHNOLOGIES LIMITED**

We have examined the compliance conditions of corporate governance by Elnet Technologies Limited for the Financial year ended March 31, 2017 as stipulated in Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in general with the conditions of Corporate Governance as stipulated in the above mentioned SEBI (LODR) Regulations, 2015.

We further 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 BP & Associates  
Company Secretaries

S. Bhaskar  
Partner

Place : Chennai

ACS No.10798

Date : 12.05.2017

CP No. : 8315

## **ANNEXURE IV**

### **REPORT ON CORPORATE GOVERNANCE**

#### **CORPORATE GOVERNANCE PHILOSOPHY**

The Company perceives Corporate Governance as an endeavor for transparency and a whole hearted approach towards establishing professional management aimed at continuous enhancement of shareholders' value.

The Company recognizes that good corporate governance is essential to build and retain the confidence of its stakeholders, its creditors, customers, suppliers and employees. Its policy has been to enhance the long-term interest of the shareholders. It believes that effective Corporate Governance is an essential component of a successful entrepreneur in a globalised economy. To this end, the Company's philosophy on Corporate Governance is to endeavor to ensure

- That system and procedures which monitor compliance with laws, rules and regulations are in place in each area of its business
- That relevant information regarding the company and its operations is disclosed, disseminated and easily available to its stakeholders and
- That the Board of Directors is kept fully informed of all material developments in the Company, the risks in its business and its operation, and the rationale for management decision and recommendation so that the Board of Directors can effectively discharge its responsibilities to the shareholders.
- As a part of "Green initiative" in Corporate Governance, Ministry of Corporate Affairs (MCA) vide Circular No.18/2011 dated 29.04.2011 has permitted paperless compliance by recognizing communications through electronic mode to shareholder under the Companies Act, 1956. Accordingly, the company has made arrangement to send request letters for getting the e-mail address to enable the company to circulate the Annual accounts and other communication through e-mail.

#### **1. BOARD OF DIRECTORS**

##### **a) Composition**

The Board consists of Twelve Directors as on 31st March 2017. The composition of the Board is in conformity with Regulations of SEBI (LODR) Regulation 2015. The day-to-day management of the company is carried on by Tmt. Unnamalai Thiagarajan, Managing Director & Woman Director of the company.

All independent directors possess the requisite qualifications and are very experienced in their own fields. All Directors except the Chairman, Managing Director, Independent Directors and Nominee Directors of M/s. Electronic Corporation of Tamil Nadu Limited are liable to retire by rotation. None of the Directors on the Company's Board is a member on more than ten committees and chairman of more than five committees in public limited companies in which they are directors. Necessary disclosures have been obtained from all the directors regarding their directorship as at 31.03.2017, and the same has been taken on record by the Board.

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

The Board also reviews the declarations made by the management regarding compliance with the applicable laws on a quarterly basis as also the Board Minutes of its subsidiary company. The details about the composition of the Board of Directors as also the number of other directorship, membership/chairmanship in committees across various companies of which the Director is a member/chairman, their attendance at the Board meetings held during the financial year under review and at the last Annual General Meeting are furnished hereunder.

The names of the Directors and the details of other chairmanship / directorship / committee membership of each Director as on 31st March 2017 is given below:

Sl. No.	Name of the Director & Category	No. of Directorship / Chairmanship in other public companies		No. of Membership / Chairmanship in other Companies Board Committee	
		Chairman	Director	Chairman	Member
1	Dr. Rajendra Kumar, IAS Non-Executive Chairman	-	-	-	-
2	Tmt.Unnamalai Thiagarajan Managing Director	-	2	-	-
3	Thiru C.Ramachandran, Retd., IAS Non-Executive Director	-	6	2	2
4	Thiru J.Ravi Non-Executive Director	-	-	-	-
5	Thiru R.Ganapathi Non-Executive Independent Director	-	5	-	4
6	Thiru H.Karthik Seshadri Non-Executive Independent Director	-	1	-	-
7	Thiru. K.Padmanaban Non-Executive Independent Director	-	-	-	-
8	Thiru. G. Senrayaperumal Non-Executive Independent Director	-	-	-	-
9	Dr.V.Dharmalingam Non-Executive Independent Director	-	2	-	-
10	Thiru K.Kasim, Retd., IPS Non-Executive Independent Director	-	1	-	-
11	Thiru G.Chellakrishna Non-Executive Independent Director	-	1	-	1
12	Thiru B Evanesan Non-Executive Director	-	3	-	-

**Notes:**

- a) Other directorship excludes foreign companies, private limited companies and alternate directorship.
- b) Only memberships in Audit Committee and Stakeholders' Relationship Committee have been reckoned for other committee membership.

**B) BOARD MEETINGS AND ATTENDANCE AT BOARD MEETINGS**

The Board met Five times during the financial year 2016-2017. The Board of Directors of the Company had met not exceeding with a maximum time gap of one hundred and twenty days. The Board meets atleast once a quarter and interval between two meetings was not more than four months. The Board procedures had been duly complied in accordance with the applicable provisions of Companies Act, 2013 and SEBI ( LODR ) Regulations 2015.

The company places before the Board all those details as required under SEBI (LODR), Regulations, 2015. The dates for the board meetings are fixed after taking into account the convenience of all the directors and sufficient notice is given to them. Detailed agenda notes are sent to the directors. All the information required for decision making are incorporated in the agenda. Those that are not included in the agenda are tabled at the meeting. The Chairman and the Managing Director appraise the Board on the overall performance of the company at every board meeting. Legal issues, write-offs, provisions, purchase and disposal of capital assets are all brought to the notice of the Board. The Board reviews performance, approves capital expenditures, sets the strategy the company should follow and ensures financial stability. The Board takes on record the actions taken by the company on all its decisions periodically.

The Board also takes on record the declaration made by the company secretary, chairman and managing director and the chief financial officer regarding compliances of all laws on a quarterly basis

**C) DISCLOSURE OF RELATIONSHIP BETWEEN DIRECTOR'S INTER-SE:**

Not applicable

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

### D) ATTENDANCE OF EACH DIRECTOR AT BOARD MEETINGS AND AT THE PREVIOUS ANNUAL GENERAL MEETING (AGM)

S. No	Name of the Director	No. of Board Meetings held	No. of Board Meetings attended	Attendance at the last AGM
1	Dr. Rajendra Kumar, IAS	3	-	NA
2	Tmt. Unnamalai Thiagarajan	5	4	Present
3	Thiru C.Ramachandran, IAS, (Retd.,)	5	4	Present
4	Thiru J.Ravi	5	5	Present
5	Thiru R.Ganapathi	5	3	Absent
6	Thiru H.Karthik Seshadri	5	3	Absent
7	Thiru K.Padmanaban	5	3	Present
8	Thiru G. Senrayaperumal	5	3	Present
9	Dr.V.Dharmalingam	5	1	Absent
10	Thiru K.Kasim, IPS (Retd.,)	5	5	Present
11	Thiru G.Chellakrishna	5	5	Present
12	Thiru B Evanesan	3	2	NA

### 2. AUDIT COMMITTEE

The audit committee assists the board in the dissemination of financial information and in overseeing the financial and accounting processes in the company. The terms of reference of the audit committee covers all matters specified in Regulation 18 of SEBI (LODR), Regulations, 2015 and also those specified in section 177 of the Companies Act, 2013.

The audit committee reviews the compliance with legal and statutory requirements, the quarterly and annual financial statements and related party transactions and reports its findings to the Board. The committee also recommends the appointment of internal auditor, statutory auditor and secretarial auditor. The audit committee takes note of any default in the payments to creditors and shareholders. The committee also looks into those matters specifically referred to it by the Board. The statutory auditors were present at all audit committee meetings.

The audit committee comprised of the following directors for the year ended 31st March 2017:

S.no	Name	Position	Category
1.	Thiru G Chellakrishna	Chairman	Non-Executive, Independent Director
2.	Thiru C Ramachandran, Retd., IAS	Member	Non-Executive, Director
3.	Thiru R Ganapathi	Member	Non-Executive, Independent Director
4.	Thiru H Karthik Seshadri	Member	Non-Executive, Independent Director
5.	Thiru K Padmanaban	Member	Non-Executive, Nominee Director
6.	Thiru K Kasim	Member	Non-Executive, Independent Director

As on 31st March 2017, the committee comprised of four independent directors and two Non-Executive Directors. All are financially literate and have relevant finance / audit exposure. The Chief Financial Officer is a permanent invitee to the meetings of the committee. The other directors are invited to attend the audit committee meetings as and when required. The Company Secretary acts as the secretary to the committee. The composition of the audit committee is as per the Regulation 18 of SEBI (LODR), Regulations, 2015. Chairman of the Audit Committee was present at the previous Annual General Meeting of the company held on 15th June, 2016. The audit committee met Four times during the year on 06.05.2016, 29.07.2016, 09.11.2016 and 27.01.2017 respectively. The details are as follows:

#### Attendance of each Director at Audit Committee Meetings

Sl. No.	Name	Position	Number of audit committee Meetings during their tenure	Number of audit committee meetings attended
1	Thiru G Chellakrishna	Chairman	4	4
2	Thiru C Ramachandran, Retd., IAS	Member	4	3
3	Thiru R Ganapathi	Member	4	2
4	Thiru H Karthik Seshadri	Member	4	3
5	Thiru K Padmanaban	Member	4	4
6	Thiru K Kasim, Retd. , IPS	Member	4	4

#### The broad terms of reference of the Audit Committee are as follows

- Review of the Company's financial reporting process and the disclosure of its financial information
- Reviewing with management, the annual financial statements before submission to the Board, focusing primarily on (i) Any change in accounting policies and practices, (ii) Major accounting entries based on exercise of judgment by management, (iii) Qualifications in

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

draft audit report, (iv) Significant adjustments arising out of audit, (v) The going concern assumption, (vi) Compliance with accounting standards, (vii) Compliance with the SEBI (LODR), Regulations, 2015 and legal requirements concerning financial statements and (viii) any related party transactions i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of company at large.

- Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit functions.
- Discussion with external auditors before the audit commences, nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing the company's various financial and risk management policies and practices.

### 3. NOMINATION AND REMUNERATION COMMITTEE

The remuneration committee was named and reconstituted as Nomination and remuneration committee at its board meeting held on 30.05.2014.

The terms of reference of the committee are as follows:

- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- The remuneration policy as adopted by the company envisages payment of remuneration according to qualification, experience and performance at different levels of the organization.
- During the period under review, no remuneration was paid to any director at present except Managing Director.
- Appointment of the directors and key managerial personnel of the Company; and
- Fixation of the remuneration of the directors, key managerial personnel and other employees of the Company.

#### Composition of committee and attendance of members

Sl. No.	Name of Directors	Position	Category	Meeting/ Attendance
1	Thiru R Ganapathi	Chairman	Non-Executive, Independent Director	No meeting held during the financial year
2	Thiru C Ramachandran, Retd. IAS	Member	Non-Executive, Director	
3	Thiru H Karthik Sheshadri	Member	Non-Executive, Independent Director	

This committee recommends the appointment/reappointment of executive directors along with the remuneration to be paid to them. The remuneration is fixed keeping in mind the person's track record, his/her potential individual performance, the market trends and scales prevailing in the similar industry. The Remuneration Committee comprises of non-executive



and independent directors. The Company Secretary is the secretary to the committee. During the financial year 2016-2017 there was no meeting held. The Policy on Nomination and Remuneration may be accessed on the Company's website at the link:

[http:// www.elnettechnologies.com/Document/nomination%20and%20remuneration%20policy.pdf](http://www.elnettechnologies.com/Document/nomination%20and%20remuneration%20policy.pdf)

#### **CRITERIA FOR MAKING PAYMENTS TO NON- EXECUTIVE DIRECTORS:**

The Company has created and laid down the criteria for making payments to the Non-Executive Directors as enumerated in the Nomination and Remuneration policy

#### **Details of Sitting Fees paid to Non-Executive Directors during the financial year 2016-17 :**

**(Amount in ₹)**

Name	Category	Board Meetings	Share Transfer Committee Meetings	Stakeholder Relationship Committee Meetings	Audit Committee Meeting	Corporate Social Responsibility committee	Meeting of Independent Directors	Nomination & Remuneration Committee	Total
Thiru Atul Anand, IAS	Non-Executive Nominee Director	-	-	-	-	-	-	-	-
Dr. Rajendra Kumar, IAS	Non-Executive Nominee Director	-	-	-	-	-	-	-	-
Thiru K Padmanaban	Non-Executive Nominee Director	21,000	-	-	21,000	-	-	-	42,000
Thiru P. Manivanan	Non-Executive Nominee Director	14,000	-	-	-	-	-	-	14,000
Thiru B Evanesan	Non-Executive Nominee Director	14,000	-	-	-	-	-	-	14,000
Thiru C Ramachandran	Non-Executive Director	28,000	63,000	21,000	21,000	-	-	-	1,33,000
Thiru J Ravi	Non-Executive Director	35,000	49,000	-	-	7,000	-	-	91,000
Thiru G. Chellakrishna	Non-Executive Independent Director	35,000	-	-	28,000	-	7,000	-	70,000
Dr.V. Dharmalingam	Non-Executive Independent Director	7,000	-	-	-	-	-	-	7,000
Thiru R Ganapathi	Non-Executive Independent Director	21,000	-	14,000	14,000	-	7,000	-	56,000
Thiru H Karthik Seshadri	Non-Executive Independent Director	21,000	56,000	28,000	14,000	7,000	7,000	-	1,33,000
Thiru G. Senrayaperumal	Non-Executive Independent Director	21,000	-	-	-	-	7,000	-	28,000
Thiru K. Kasim	Non-Executive Independent Director	35,000	-	-	28,000	-	7,000	-	70,000

There were no other pecuniary relationships or transactions of the non-executive directors' vis-à-vis the company during the Financial Year ended 31st March, 2017.

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

---

### REMUNERATION PAID TO DIRECTORS

Of the total twelve directors, Tmt. Unnamalai Thiagarajan, is the Managing Director. The remuneration paid to the director has been already determined by the Board on the recommendation of the remuneration committee. Also the same was approved at the 24th Annual General Meeting of the company.

Total remuneration paid to Tmt. Unnamalai Thiagarajan, Managing Director, during the Financial Year 2016-17 is ₹.14,00,000/-. No other perks and other allowances were paid.

### PERFORMANCE EVALUATION

A separate exercise was carried out to evaluate the performance of individual directors including the Chairman of the Board and Managing Director, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its various stakeholders etc. The performance evaluation of the Independent Directors was carried out by the Board. The performance evaluation of the Chairman and the Non-independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

### 4.STAKEHOLDERS' RELATIONSHIP COMMITTEE:

Thiru C.Ramachandran, IAS (Retd.) Non-Executive Director is the Chairman of the committee. Thiru R.Ganapathi and Thiru H Karthik Seshadri are the other members of the committee

### Complaints received and redressed during the year 2016-17 :

S.No.	Nature of Complaints	Number of Complaints
1	Revalidation of dividend warrant	7
2	Procedure for Issue of duplicate share certificate, transfer & transmission	11
3	General queries	3
4	Change of address	1
	<b>TOTAL</b>	<b>22</b>

No complaints were pending unresolved during the year ended 31.03.2017.

SEBI vide Circular Ref: CIR/OIAE/2/2011 dated June 3, 2011 informed the company that they had commenced processing of investor complaints in a web based complaints redress system "SCORES". Under this system, all complaints pertaining to companies are electronically sent through SCORES and the companies are required to view the complaints pending against them and submit Action Taken Report (ATRs) along with supporting documents electronically in SCORES.

All the requests and complaints received from the shareholders were attended to within the stipulated time and nothing was pending for disposal at the end of the year. Thiru S. Lakshmi Narasimhan, Company Secretary is the compliance officer of the company. For any clarification / complaint the shareholders may contact Thiru S.Lakshmi Narasimhan, Company Secretary at the registered office of the company

## 5. SHARE TRANSFER COMMITTEE:

The Board decided that a Share Transfer committee be re-constituted at its meeting held on 29.01.2016, with Thiru C. Ramachandran, IAS (Retd.), Thiru J. Ravi and Thiru H.Karthik Seshadri, as members to approve share transfer, transmissions, issue of duplicate share certificates, dematerialization of shares etc. The actions of share transfer committee are being placed at its subsequent Board meetings.

The members of the committee are as below:

S. No.	Name	Position	Category
1	Thiru. J. Ravi	Member	Non-Executive Director
2	Thiru. H. Karthik Seshadri	Member	Non-Executive Independent Director
3	Thiru. C. Ramachandran, Retd., IAS	Member	Non-Executive Director

The committee also reviews the performance of the Registrar and Share Transfer Agents. The committee met eight times during the year 2016-2017. The committee approved the transfer of 2600 shares in physical form.

The meetings are held regularly. Transfer of shares are processed and registered within the stipulated time, provided all the documents are valid and complete in all respects. As on 31st March, 2017, there were no share transfers pending for registration for more than 30 days.

## 6. PURCHASE COMMITTEE

Purchase Committee of Directors was constituted on 25/10/2006 under the directions of the Board. It is empowered to identify the qualified vendors for taking advantage of competitive pricing. During the year under review, no meetings were held as it was not necessitated. The Composition of the Committee is given hereunder

S. No.	Name	Position	Category
1	Thiru. R. Ganapathi	Member	Non-Executive Independent Director
2	Thiru. H. Karthik Seshadri	Member	Non-Executive Independent Director

## 7. MEETING OF INDEPENDENT DIRECTORS:

The Independent Directors of the Company had met during the year on 09.11.2016, to review the performance of non- Independent Directors and the Board as a whole, reviewed the performance of the Chairperson of the Company and had assessed the quality, quantity and timeliness of flow of information between the company management and the Board.

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

---

### 8. ANNUAL GENERAL MEETINGS AND EXTRAORDINARY GENERAL MEETING

The details of the Annual General Meetings / Extraordinary General Meeting held in the last three years are as follows:

Annual General Meetings of the Company :

Venue	Financial Year	Date & Time
New Woodlands Hotel Pvt. Ltd., Chennai	2013-2014	17th July 2014 at 11.00 AM
New Woodlands Hotel Pvt. Ltd., Chennai	2014-2015	08th July 2015 at 11.00 AM
New Woodlands Hotel Pvt. Ltd., Chennai	2015-2016	15th June, 2016 at 11.00 AM

The details of special resolutions passed in AGM in the last 3 years are as follows:

AGM	Subject
23rd AGM	Statutory Auditor appointment
24th AGM	Statutory Auditor appointment
25th AGM	Statutory Auditor appointment

No Extraordinary General Meeting was conducted during financial year 2016-2017.

#### E-Voting/Poll:

The details of special resolutions passed through E-Voting/Poll in AGM in the last 3 years are as follows:

AGM	Subject
23rd AGM	Statutory Auditor appointment
24th AGM	Statutory Auditor appointment
25th AGM	Statutory Auditor appointment

### 9. SUBSIDIARY COMPANIES

The financials of the subsidiary companies viz., M/s Elnet Software City Limited have been duly reviewed by the audit committee and the Board of the holding company. The board minutes of the unlisted subsidiary companies have been placed before the Board of the holding company. The holding company's Board is also periodically informed about all significant transactions and arrangements entered into by the subsidiary companies, if any. The Company is in the process of closure of its operations through Members' Voluntary winding up process.

### 10. RISK MANAGEMENT

Periodic assessments to identify the risk areas are carried out and management is briefed on the risks in advance to enable the company to control risk through a properly defined plan. The risks are classified as financial risks, operational risks and market risks. The risks are taken into account while preparing the annual business plan for the year. The Board is also periodically informed of the business risks and the actions taken to manage them. The Company has formulated a policy for Risk management with the following objectives.

- Provide an overview of the principles of risk management
- Explain approach adopted by the Company for risk management
- Define the organizational structure for effective risk management
- Develop a “risk” culture that encourages all employees to identify risks and associated opportunities and to respond to them with effective actions.
- Identify, assess and manage existing and new risks in a planned and coordinated manner with minimum disruption and cost, to protect and preserve Company’s human, physical and financial assets.

## **11. WHISTLE BLOWER POLICY**

The company has an established mechanism for Directors / Employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of the code of conduct or ethics policy. It also provides for adequate safeguards against victimization of directors/employees who avail of the mechanism. The company affirms that no personnel has been denied access to the audit committee. The Company has formulated a Policy of Vigil Mechanism and has established a mechanism that any personnel may raise Reportable Matters within 60 days after becoming aware of the same. The Vigil Mechanism Policy can be viewed at our company’s website [www.elnettechnologies.com](http://www.elnettechnologies.com). All suspected violations and Reportable Matters can be reported to the Chairman of the Audit Committee at e-mail id [elnet@md4.vsnl.net.in](mailto:elnet@md4.vsnl.net.in). The key directions/actions will be informed to the Managing Director of the Company.

## **12. DISCLOSURES**

### **RELATED PARTY TRANSACTION:**

There have been no materially significant related party transactions with the company’s promoters, directors, the management, their subsidiaries or relatives which may have potential conflict with the interests of the company at large. The necessary disclosures regarding the transactions are given in the notes to accounts. The Company has also formulated a policy on dealing with the Related Party Transactions and necessary approval of the audit committee and Board of directors are taken wherever required in accordance with the Policy.

None of the transactions with any of the related parties were in conflict with the interests of the company. A statement of related party transaction is furnished under Item No. 3.3 of Schedule 21 relating to Notes on Accounts Schedule.

### **DISCLOSURES:**

- 1) Details of non-compliance by the Company, Penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter to capital markets, during the last three years. – No such instances.

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

---

- 2) Whistle Blower Policy and affirmation that no personnel has been denied access to the Audit Committee. The Company has established Vigil Mechanism as per the Section 177(9) of the Companies Act, 2013.
- 3) Details of Compliance with Mandatory requirements and adoption of the non- mandatory requirements of this clause.
- 4) In preparation of the financial statements, the company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India. The significant accounting policies which are consistently applied have been set out in the Notes to the Accounts.
- 5) During the financial year 2016-17 the company had no pecuniary relationship with any of the non-executive directors (other than payment of sitting fees as set out above.)

Also, the Company has duly complied with all the requirements.

Non-mandatory requirements is furnished separately under the heading 'Non-Mandatory Requirements'

Details of Related Party Transactions in form AOC 2 is attached to Board Report as a part of Annexure III.

### **13. ACCOUNTING TREATMENT:**

Necessary disclosures regarding accounting policy and treatment are furnished in notes on Accounts (Item No. 2.1 of Schedule 21).

### **14. COMPLIANCES:**

There have been no instances of non-compliance by the company on any matters related to the capital markets, nor have any penalty/strictures been imposed on the company by the Stock Exchanges or SEBI or any other statutory authority on such matters.

### **15. MEANS OF COMMUNICATION:**

- a. The unaudited quarterly results of the company are published in leading newspapers such as Business Standard and Malai Sudar. These are not sent individually to the shareholders.
- b. The company's website address is: [www.elnettechnologies.com](http://www.elnettechnologies.com). The website contains basic information about the company and such other details as required under the SEBI (LODR) Regulations, 2015. The company ensures periodical updation of its website. The company has designated the email-id [elnet@md4.vsnl.net.in](mailto:elnet@md4.vsnl.net.in) to enable the shareholders to register their grievances.
- c. Pursuant to the SEBI (LODR), Regulations, 2015, all data related to Quarterly financial results, shareholding pattern, etc., are filed within the time frame prescribed in this regard.
- d. No presentations have been made to institutional investors or to analysts.

## **16. CODE OF CONDUCT FOR THE BOARD OF DIRECTORS AND THE SENIOR MANAGEMENT**

The standards for business conduct provide that the directors and the senior management will uphold ethical values and legal standards as the company pursues its objectives, and that honesty and personal integrity will not be compromised under any circumstances. A copy of the said code of conduct is available on the website [www.elnettechnologies.com](http://www.elnettechnologies.com). As provided under Regulation 17(5) of SEBI (LODR), Regulations, 2015, the Board members and senior management personnel have affirmed compliance with the code of conduct for the financial year 2016-2017.

## **17. GENERAL SHAREHOLDER INFORMATION**

### **a) Annual General Meeting :**

Date and time:	6th July, 2017 (Thursday) at 11 A.M
Venue :	New Woodlands Hotel Pvt. Ltd No.72-75, Dr. Radhakrishnan Salai, Mylapore, Chennai 600 004
Book Closure Date :	30.06.2017 to 06.07.2017 (both days inclusive)
Financial Year:	1st April 2016 to 31st March 2017

### **b) Financial Calendar 2017-2018 (tentative)**

Financial Results for the quarter ending June 30, 2017	On or before August 14th 2017
Financial Results for the quarter ending September 30,2017	On or before November 14th 2017
Financial Results for the quarter ending December 31,2017	On or before February 14th 2018
Financial Results for the quarter ending March 31,2018	On or before May 30th 2018

### **c) Particulars of Dividend for the year ended 31.03.2017**

Date of declaration	06.07.2017
Rate of dividend	14 %
Book Closure Date	30.06.2017 to 06.07.2017
Date of payment of dividend	Dividend will be paid on or after 06.07.2017 but not later than 04.08.2017
Amount of dividend paid	₹ 1.40 per equity share of face value of ₹ 10/- Each

### **d) Listing of Shares**

Name of the Stock Exchange: Bombay Stock Exchange (BSE)
Stock code : 517477

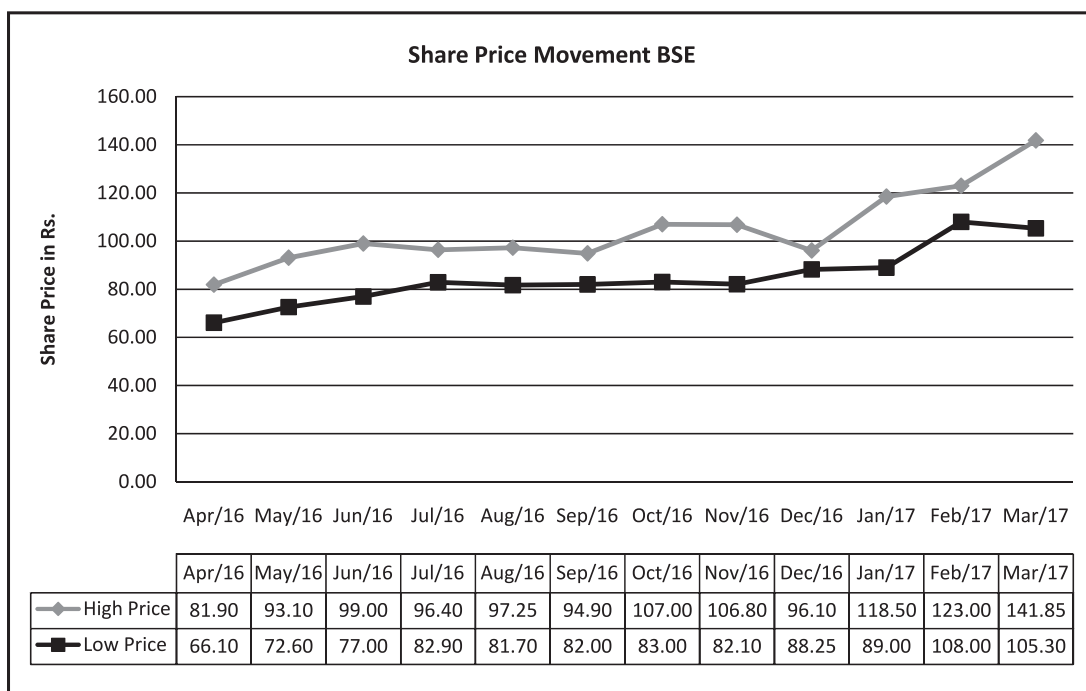
The ISIN Number allotted to the company for the Demat of shares are as under :

NSDL and CDSL : INE033C01019

(Note: Annual Listing fees for the year 2017-18 have been paid to the above stock exchange)

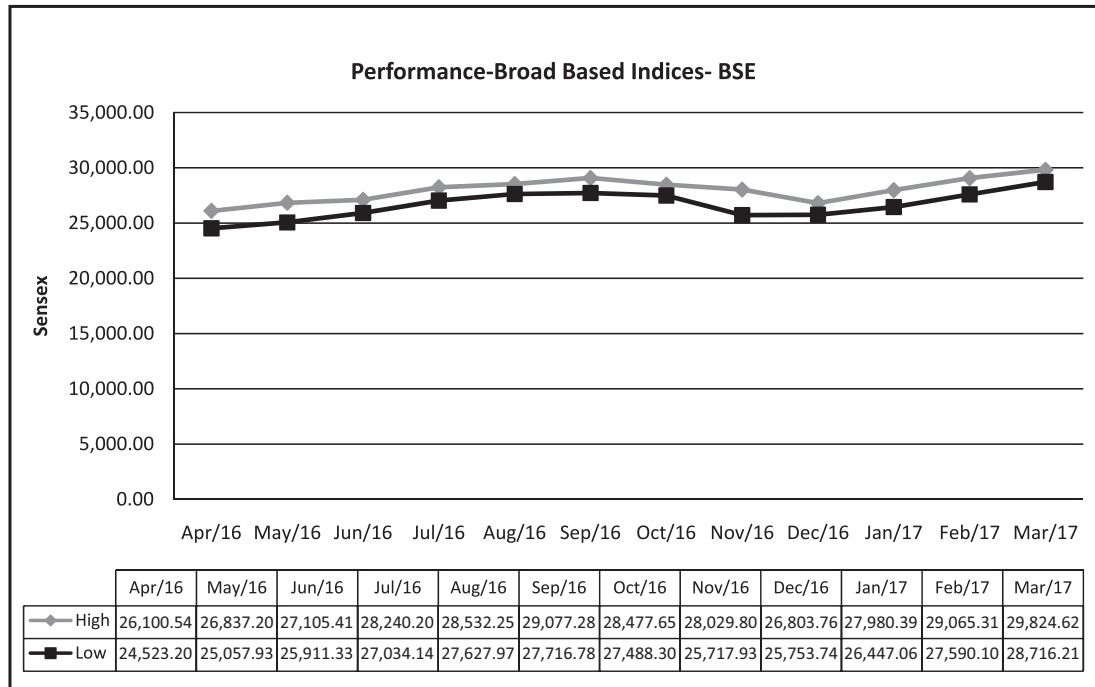
## TWENTY SIXTH ANNUAL REPORT 2016 - 17

### e) Stock Market Data.



Month	High Price	Low Price
Apr-16	81.90	66.10
May-16	93.10	72.60
Jun-16	99.00	77.00
Jul-16	96.40	82.90
Aug-16	97.25	81.70
Sep-16	94.90	82.00
Oct-16	107.00	83.00
Nov-16	106.80	82.10
Dec-16	96.10	88.25
Jan-17	118.50	89.00
Feb-17	123.00	108.00
Mar-17	141.85	105.30





Month	High	Low
Apr-16	26,100.54	24,523.20
May-16	26,837.20	25,057.93
Jun-16	27,105.41	25,911.33
Jul-16	28,240.20	27,034.14
Aug-16	28,532.25	27,627.97
Sep-16	29,077.28	27,716.78
Oct-16	28,477.65	27,488.30
Nov-16	28,029.80	25,717.93
Dec-16	26,803.76	25,753.74
Jan-17	27,980.39	26,447.06
Feb-17	29,065.31	27,590.10
Mar-17	29,824.62	28,716.21

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

### f) Shareholding Pattern as on 31st March 2017

PARTICULARS	NO. OF SHARE HOLDERS	SHARES HELD IN PHYSICAL FORM	SHARES HELD IN DEMATERIALISED	TOTAL NO. OF SHARES	% OF CAPITAL
PROMOTER AND PROMOTER GROUP					
a. BODIES CORPORATE	4	-	17,44,378	17,44,378	43.61
b. DIRECTORS AND THEIR RELATIVES	1	-	3,69,483	3,69,483	9.24
I. PUBLIC INSTITUTIONS					
a. MUTUAL FUNDS/UTI	-	-	-	-	-
b. FINANCIAL INSTITUTIONS/BANKS	-	-	-	-	-
c. INSURANCE COMPANIES	-	-	-	-	-
d. FOREIGN INSTITUTIONAL INVESTORS	-	-	-	-	-
e. CLEARING MEMBER	17		6,696	6,696	0.17
II. NON-INSTITUTIONS					
a. BODIES CORPORATE	115	9,900	1,24,504	1,34,404	3.36
b. INDIVIDUALS	5,900	2,32,072	14,19,017	16,51,089	41.27
c. NON-RESIDENT INDIANS	48	-	33,949	33,949	0.85
d. HINDU UNDIVIDED FAMILIES	134	-	60,008	60,008	1.50
TOTAL	6,219	2,41,972	37,58,035	40,00,007	100.00

### g) Distribution of Shareholding as on 31st March 2017

Number of Equity Shares held	Number of Share holders	Number of Shares	% of Capital
Upto 500	5,766	7,26,414	18.15
501-1000	227	1,80,978	4.53
1001-2000	113	1,74,538	4.36
2001-3000	36	94,070	2.35
3001-4000	29	1,01,030	2.53
4001-5000	11	51,363	1.29
5001-10000	19	1,48,527	3.71
10001 AND ABOVE	18	25,23,087	63.08
<b>Total</b>	<b>6,219</b>	<b>40,00,007</b>	<b>100.00</b>

#### **h) Registrar and Share Transfer Agents**

M/s. Cameo Corporate Services Limited, having its registered office at “Subramanian Building”, 5th Floor, No.1, Club House Road, Chennai 600 002, are the Registrars for the demat segment and also the share transfer agents of the company, to whom communications regarding share transfer and dematerialization requests must be addressed. All matters connected with share transfer, transmission, dividend payment is handled by the share transfer agent. Share transfers are processed within 15 days of lodgement. A Practising Company Secretary certifies on a quarterly basis the timely dematerialization of shares of the company.

#### **i) Information in respect of unclaimed dividends due for remittance into Investor Education and Protection Fund (IEPF) is given below:**

Under the provisions of the Companies Act, 2013, dividends that remain unclaimed for a period of seven years from the date of declaration are required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. The unclaimed dividend details are already provided in the notes of the notice.

- Shareholders are advised by the company well in advance before transferring the unclaimed dividends to IEPF.
- Shareholders holding shares in electronic form are requested to deal only with their Depository Participant in respect of change of address, nomination facility and furnishing bank account number, etc.
- Also, as stipulated in the IEPF (Rules), 2016, the company has appointed Thiru S. Lakshmi Narasimhan, Company Secretary as Nodal Officer for the claiming of the unpaid amount/shares as per the procedure from the Fund.
- The Company during the year has sent reminder letters to shareholders providing them with the details of unpaid dividend with respect to their amounts. The details of the same are enumerated below:

No. of reminder letters sent	3283
No. of letters returned	588
No. of reply received and responded by the company	92
No. of dividend payment processed	73

- In line with the provisions of Sections 124 (5) of the Companies Act, 2013, MCA notification No.G.S.R.178 (E) dated 28.02.2017 and General Circular No.03/2017 dated 27.04.2017, the company has initiated the process of transfer to IEPF Authorities , shares in respect of which dividend is unpaid or unclaimed for the consecutive period of Seven years.

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

---

Accordingly, as per the General Circular No.03/2017, the due date of transfer of shares (both physical and demat) to IEPF Authority is May 31, 2017.

### **j) Request to Investors**

Shareholders are requested to follow the general safeguards/procedures as detailed hereunder in order to avoid risks while dealing in the securities of the company.

- Shareholders are requested to convert their physical holding to demat/electronic form through any of the DPs to avoid any possibility of loss, mutilation etc., of physical share certificates and also to ensure safe and speedy transaction in securities.
- Shareholders holding shares in physical form, should communicate the change of address, if any, directly to the Registrars and Share Transfer Agent of the company.
- It has become mandatory for transferees to furnish a copy of Permanent Account Number for registration of transfer of shares held in physical mode.
- Shareholders holding shares in physical form who have not availed nomination facility and would like to do so are requested to avail the same, by submitting the nomination in Form 2B. The form will be made available on request. Those holding shares in electronic form are advised to contact their DPs.
- As required by SEBI, it is advised that the shareholders furnish details of their bank account number and name and address of their bank for incorporating the same in the dividend warrants. This would avoid wrong credits being obtained by unauthorized persons.

### **k) Reconciliation of Share Capital Audit**

A quarterly audit was conducted by a Practicing Company Secretary, reconciling the issued and listed capital of the company with the aggregate of the number of shares held by investors in physical form and in the depositories and the said certificates were submitted to the stock exchanges within the prescribed time limit. As on 31st March 2017, there was no difference between the issued and listed capital and the aggregate of shares held by investors in both physical form and in electronic form with the depositories. 37,58,035 equity shares representing 93.95% of the paid up equity capital have been dematerialized as on 31st March 2017.

### **l) Information to Shareholders**

A brief resume of the director reappointed together with the nature of his experience and details of the other directorships held by him is annexed to the Notice convening the Annual General Meeting.

#### **m) Address for Correspondence**

To contact Registrars & Share :	M/s. Cameo Corporate Services Limited
Transfer Agents for matters relating to shares :	"Subramanian Building", 5th Floor, No.1, Club House road, Chennai-600002  Tel : 044-28460390 Fax : 44-28460129 E-mail: kandhimathi@cameoindia.com
For any other general matters or in case of any difficulties / grievance	Mr. S.Lakshmi Narasimhan Company Secretary and Compliance Officer  Tel : 044-22541337 / 1098 Fax : 044-22541955 E-mail : elnet@md4.vsnl.net.in

#### **17. NON-MANDATORY DISCLOSURES:**

The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed below:

##### **(i) The Board**

The Company at Present has a Non-Executive chairman and he is not claiming any reimbursement of expenses incurred in the performance of his duties.

##### **(ii) Nomination and Remuneration Committee:**

Please refer Item No.3 under corporate governance report.

##### **(iii) Share Holders Rights:**

As the company's financial results are published in an English newspaper having wide circulation all over India and in Tamil newspaper widely circulated in Chennai, the same are not sent to the shareholders of the company individually. The company's quarterly/half yearly/ annual audited results are also posted in the company's website.

##### **(iv) Audit Qualification**

There are no qualifications in the Auditor's report

##### **(v) Training of Board Members**

The necessary training are provided to the board members as and when required.

#### **Board Diversity**

Your Company has over the years been fortunate to have eminent persons from diverse fields as Directors on its Board.

Pursuant to SEBI Regulations, the Nomination & Remuneration Committee has formalized a policy on Board Diversity to ensure diversity of experience, knowledge, perspective, background, gender, age and culture.

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

---

An appropriate induction programme for new Directors and ongoing familiarization with respect to the business/working of the Company for all Directors is a major contributor for Board level deliberations and sound business decisions.

At the time of appointing a Director, a formal letter of appointment is given to him/her which, interalia, explains his/her role, function, duties and responsibilities and the Board's expectations from him/her as a Director of the Company. The Director is also explained in detail the compliances required from him/her under the Act, SEBI Regulations and other relevant regulations and his/her affirmation taken with respect to the same.

Details of familiarization of Independent Directors are available on the website of the company and can be accessed through web link <http://www.elnettechnologies.com>.

### **DECLARATION BY MANAGING DIRECTOR ON CODE OF CONDUCT UNDER REGULATION 17(5) OF SEBI (LODR), REGULATIONS, 2015**

To

The Members

I, hereby declare that to the best of my knowledge and information, all the Board Members and Senior Management Personnel have affirmed compliance with the code of conduct for the year ended March 31, 2017.

Place : Chennai  
Date : 12.05.2017

**UNNAMALAI THIAGARAJAN**  
Managing Director

## **ANNEXURE V**

### **FORM NO. MR-3 SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2017**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
ELNET TECHNOLOGIES LIMITED  
TS 140 BLOCK 2 & 9, RAJIV GANDHI SALAI,  
TARAMANI, CHENNAI - 600113

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ELNET TECHNOLOGIES LIMITED, (hereinafter called “the company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the ELNET TECHNOLOGIES LIMITED's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorised representatives during the conduct of secretarial audit and as per the explanations given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by ELNET TECHNOLOGIES LIMITED for the financial year ended on 31st March, 2017 according to the applicable provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

---

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.
- (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (v) The payment of gratuity act 1972;
- (vi) The Employees Provident Funds and Miscellaneous Provisions Act, 1952;
- (vii) The Employees' State Insurance Act, 1948;
- (viii) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

With respect to Fiscal laws such as Income Tax, Value Added Tax, Central Excise Act and Service Tax Rules, we have reviewed the systems and mechanisms established by the Company for ensuring compliances under various Acts and based on the information and explanation provided to us by the management and officers of the Company and also on verification of compliance reports taken on record by the Board of Directors of the Company, we report that adequate systems are in place to monitor and ensure compliance of fiscal laws as mentioned above.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with BSE Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

During the period under review there were no events which required specific compliance of the provisions of

- (i) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (ii) the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (iii) the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (iv) the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998
- (v) the Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (vi) the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;



We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For BP & Associates  
Company Secretaries

S. Bhaskar  
Partner

Place : Chennai  
Date : 12.05.2017

ACS No.10798  
CP No. : 8315

### ANNEXURE (i) FORMING PART OF SECRETARIAL AUDIT REPORT DISCLOSURE OF SIGNIFICANT EVENTS HAPPENED DURING THE YEAR

SI No	EVENTS	Companies Act 2013	SEBI (LODR), Regulations 2015
1	<b><u>Declaration of Dividend</u></b> The Board of Directors in their meeting held on May 6, 2016 recommended a dividend of 17% which was approved by the shareholders at the 25th AGM held on June 15, 2016	Section 123 of the Companies Act, 2013	Complied under Regulation 30
2	<b><u>Resignation of Nominee Directors</u></b> a. Thiru Atul Anand, Chairman - Director of the Company resigned w.e.f. September 7, 2016. b. Thiru P Manivannan, Director of the Company resigned w.e.f. Nov. 9, 2016	Complied Section 161 of the Companies Act, 2013	Complied under Regulation 68 (2)
3	<b><u>Appointment of Nominee Directors</u></b> a. Dr. Rajendra Kumar, IAS, was appointed as Chairman - Director of the Company w.e.f. November 9, 2016. b. Thiru Evanesan B was appointed as Director of the Company w.e.f. Nov. 9, 2016	Complied under Section 152, 160, 161(3) and (4) of the Companies Act, 2013	Complied under Regulation 68 (2)

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

---

### ANNEXURE (ii)

To,  
The Members,  
ELNET TECHNOLOGIES LIMITED  
TS 140 BLOCK 2 & 9, RAJIV GANDHI SALAI,  
TARAMANI, CHENNAI - 600113

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Account of the company
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For BP & Associates  
Company Secretaries  
S. Bhaskar  
Partner

Place : Chennai  
Date : 12.05.2017

ACS No.10798  
CP No. : 8315

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF ELNET TECHNOLOGIES LIMITED  
Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **ELNET TECHNOLOGIES LIMITED** ("the Company"), which comprises the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone financial statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

---

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its Profit and its Cash Flow for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with relevant rules issued thereunder.
  - (e) On the basis of written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 21.4.7 to the standalone financial statements;
    - (ii) The Company did not have any provision to be made, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts and
    - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

- (iv) The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 21.3.4 to the standalone financial statements.

Place: Chennai  
Date : 12.05.2017

for **S.H. Bhandari & Co**  
Chartered Accountants  
FRN: 000438S

**Sreedhar Sreekakulam**  
Partner  
Membership No.: 026474

## **ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT**

The Annexure referred to in paragraph 1 of 'Report on Other Legal & Regulatory Requirement' of our report to the members of the company on the standalone financial statements of the Company for the year ended 31 March 2017, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to size of the company and the nature of its assets.
- (c) The title deeds of immovable properties are held in the name of the company.
- (ii) The company is a service company, primarily rendering infrastructure services. Accordingly, it does not hold any physical inventories. Thus paragraph 3(ii) of the order is not applicable.
- (iii) According to information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the Register maintained under section 189 of the Act. Thus, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence, not commented upon.

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

- (iv) According to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the investments made.
- (v) According to information and explanations given to us, the Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable and hence not commented upon.
- (vi) We have broadly reviewed the books of accounts maintained by the company pursuant to sub-section (1) of section 148 of Companies Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (vii) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been regularly deposited undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Service Tax, Value added Tax and other material statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the Provident Fund, Employees State Insurance, Income-Tax, Service Tax, Value added Tax and other material statutory dues were in arrears as at March 31, 2017 for a period of more than six months from the date on when they become payable.
- (b) According to the information and explanation given to us, there are no dues of value added tax and service tax outstanding on account of any dispute. However, According to information and explanations given to us, the following are the particulars of income tax dues that have not been deposited with appropriate authorities on account of disputes as on March 31, 2017:

Name Of the Statute	Nature of the dues	Period [A.Y]	Amount (In ₹)	Forum where dispute is pending
Income-tax Act, 1961	Income Tax	2007-2008	11,30,593	Commissioner of Income Tax (Appeals)
Income-tax Act, 1961	Income Tax	2009-2010	47,475	Commissioner of Income Tax (Appeals)

- (viii) The Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year.
- (xi) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon

- (x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- (xi) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- (xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.
- (xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company

Place: Chennai  
Date : 12.05.2017

for **S.H. Bhandari & Co**  
Chartered Accountants  
FRN: 000438S

**Sreedhar Sreekakulam**  
Partner  
Membership No.: 026474

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

---

### **ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT**

Referred to in paragraph 2(f) of the independent auditor's report of even date to the members of ELNET Technologies Ltd on the standalone financial statements for the year ended March 31, 2017.

#### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of ELNET Technologies Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India(ICAI).

Place: Chennai  
Date : 12.05.2017

for **S.H. Bhandari & Co**  
Chartered Accountants  
FRN: 000438S

**Sreedhar Sreekakulam**  
Partner  
Membership No.: 026474

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

<b>STANDALONE BALANCE SHEET</b>			
Particulars	Note No.	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
		₹	₹
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
(a) Share Capital	1	40,000,070	40,000,070
(b) Reserves and Surplus	2	561,791,593	490,043,822
		<b>601,791,663</b>	<b>530,043,892</b>
<b>2 Non-Current Liabilities</b>			
(a) Long-Term Borrowings	3	42,633,883	42,633,883
(b) Deferred Tax Liabilities (Net)	21 (3.6)	6,262,635	9,484,430
(c) Other Long-Term Liabilities	4	135,374,122	133,329,797
(d) Long-Term Provisions	5	1,640,069	1,314,317
		<b>185,910,709</b>	<b>186,762,427</b>
<b>3 Current Liabilities</b>			
(a) Trade Payables:	6		
Due to Micro and Small Enterprises		24,559	-
Due to Others		1,009,799	6,742,718
(b) Other Current Liabilities	7	2,231,985	2,520,835
(c) Short-Term Provisions	8	8,801,893	10,002,494
		<b>12,068,236</b>	<b>19,266,047</b>
<b>TOTAL</b>		<b>799,770,608</b>	<b>736,072,366</b>
<b>B ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	9 (i)	338,904,122	365,361,922
(ii) Intangible Assets	9 (ii)	-	-
		<b>338,904,122</b>	<b>365,361,922</b>
(b) Non-Current Investments	10	70,811,019	71,253,000
(c) Long-Term Loans and Advances	11	18,384,986	21,783,227
(d) Other Non Current Assets	12	165,500,000	-
		<b>254,696,005</b>	<b>93,036,227</b>
<b>2 Current Assets</b>			
(a) Trade Receivables	13	23,118,491	18,298,993
(b) Cash and Cash Equivalents	14	169,831,446	246,749,883
(c) Short-Term Loans and Advances	15	2,073,051	2,934,784
(d) Other Current Assets	16	11,147,493	9,690,557
		<b>206,170,481</b>	<b>277,674,217</b>
<b>TOTAL</b>		<b>799,770,608</b>	<b>736,072,366</b>
Significant Accounting Policies and Explanatory Statement	21		

Note 21 is an integral part of these financial statements

For and on behalf of the Board of Directors

**Unnamalai Thiagarajan**  
Managing Director

**T.K.Karthik**  
Chief Financial Officer  
Place : Chennai  
Date : 12.05.2017

**G. Chellakrishna**  
Director

**S.Lakshmi Narasimhan**  
Company Secretary

**K.Padmanaban**  
Director

As per our Report attached

**For S.H.Bhandari & Co**  
Chartered Accountants

**Sreedhar Sreekakulam**  
Partner  
M.No: 026474 FRN: 000438S

<b>STANDALONE STATEMENT OF PROFIT AND LOSS</b>			
Particulars	Note No.	For the year ended 31 <sup>st</sup> March, 2017	For the year ended 31 <sup>st</sup> March, 2016
		₹	₹
<b>A CONTINUING OPERATIONS</b>			
1 Revenue from Operations	17	226,659,818	220,840,855
2 Other Income	18	22,925,072	20,594,310
3 Total Revenue		<b>249,584,890</b>	<b>241,435,165</b>
<b>4 Expenses</b>			
(a) Employee Benefits Expense	19	17,457,940	16,720,300
(b) Depreciation and Amortisation Expenses	9	32,978,222	41,627,691
(c) Other Expenses	20	77,967,291	85,109,492
Total Expenses		<b>128,403,453</b>	<b>143,457,483</b>
<b>5 Profit / (Loss) before Tax before Exceptional Items</b>		<b>121,181,437</b>	<b>97,977,682</b>
<b>6 Exceptional Items</b>			
Provision for diminution in value of Long Term Investments	21 (3.7)	(441,981)	-
<b>7 Profit / (Loss) before Tax after Exceptional Items</b>		<b>120,739,456</b>	<b>97,977,682</b>
<b>8 Tax Expense:</b>			
(a) Current Tax Expense for current year		45,500,000	40,417,000
(b) Current Tax Expense for Prior Years		(26,560)	(25,181)
(c) Deferred Tax	21 (3.6)	(3,221,795)	(6,875,275)
		<b>42,251,645</b>	<b>33,516,544</b>
<b>9 Profit / (Loss) for the year</b>		<b>78,487,811</b>	<b>64,461,138</b>
		<b>78,487,811</b>	<b>64,461,138</b>
<b>10 Earnings per Share (of Face Value of ₹ 10/- each):</b>	21 (3.5)		
Basic & Diluted		19.62	16.12
Significant Accounting Policies and Explanatory Statement	21		

Note 21 is an integral part of these financial statements

For and on behalf of the Board of Directors

**Unnamalai Thiagarajan**  
Managing Director

**G. Chellakrishna**  
Director

**K.Padmanaban**  
Director

As per our Report attached

**For S.H.Bhandari & Co**  
Chartered Accountants

**T.K.Karthik**  
Chief Financial Officer  
Place : Chennai  
Date : 12.05.2017

**S.Lakshmi Narasimhan**  
Company Secretary

**Sreedhar Sreekakulam**  
Partner  
M.No: 026474 FRN: 000438S

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

### NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

#### NOTE 1 SHARE CAPITAL

Particulars	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
	Number of shares	₹	Number of shares	₹
<b>(a) Authorised</b>				
Equity shares of ₹ 10/- each with voting rights	5,000,000	50,000,000	5,000,000	50,000,000
<b>(b) Issued</b>				
Equity shares of ₹ 10/- each with voting rights	4,000,007	40,000,070	4,000,007	40,000,070
<b>(c) Subscribed and fully paid up</b>				
Equity shares of ₹ 10/- each with voting rights	4,000,007	40,000,070	4,000,007	40,000,070
<b>Total</b>	<b>4,000,007</b>	<b>40,000,070</b>	<b>4,000,007</b>	<b>40,000,070</b>

#### Note: Terms and rights attached to equity shares

(a) The company has only one class of Equity shares having value of ₹ 10 each

(b) Each holder of Equity shares is entitled to one vote per share

(c) Dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting except in the case of interim dividend

#### Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Closing Balance
<b>Equity shares with voting rights</b>		
Year ended 31st March, 2017		
- Number of shares	4,000,007	4,000,007
- Amount (₹)	40,000,070	40,000,070
Year ended 31st March, 2016		
- Number of shares	4,000,007	4,000,007
- Amount (₹)	40,000,070	40,000,070

(ii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
	Number of shares held	% Holding in that class of shares	Number of shares held	% Holding in that class of shares
<b>Equity shares with voting rights</b>				
Electronics Corporation of Tamil Nadu Ltd	1,040,006	26.00%	1,040,006	26.00%
Stur Technologies Pvt Ltd	450,000	11.25%	450,000	11.25%
Southern Projects Management Pvt Ltd	254,371	6.36%	254,371	6.36%
Shanmugam Thiagarajan	369,483	9.24%	369,483	9.24%

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### NOTE 2 : RESERVES AND SURPLUS

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
	₹	₹
<b>(a) General reserve</b>		
Opening balance	271,221,462	251,190,248
Add : Transferred from surplus in Statement of Profit and Loss	20,000,000	20,000,000
Less: Depreciation under transitional provisions of the Companies Act, 2013	-	(31,214)
<b>Closing balance</b>	<b>291,221,462</b>	<b>271,221,462</b>
<b>(b) Other reserve</b>		
(i) Opening balance: Subsidy from SIPCOT	2,575,000	2,575,000
<b>Closing balance</b>	<b>2,575,000</b>	<b>2,575,000</b>
<b>(c) Surplus in Statement of Profit and Loss</b>		
<b>Opening Balance</b>	216,247,360	179,970,556
Add : Profit for the year - Amounts Transferred from Statement of Profit and Loss	78,487,811	64,461,138
Less: <b>Final Dividend</b>		
Dividend proposed to be distributed & Distributed to equity shareholders (₹ 1.40 & ₹ 1.70 per share respectively)	5,600,010	6,800,012
Tax on Dividend	1,140,030	1,384,322
Less : <b>Transferred to General Reserve</b>	20,000,000	20,000,000
<b>Closing balance</b>	<b>267,995,131</b>	<b>216,247,360</b>
<b>Total</b>	<b>561,791,593</b>	<b>490,043,822</b>

### NOTE 3 : LONG-TERM BORROWINGS

<b>(a) Loans and advances from related parties</b>		
Unsecured	42,633,883	42,633,883
<b>Total</b>	<b>42,633,883</b>	<b>42,633,883</b>

**No Specific Terms and Conditions**

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

### Details of Terms of Repayment for the Other Long-Term Borrowings and Security provided in respect of the Secured Other Long-Term Borrowings:

Particulars	Nature of the person	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
		Secured ₹	Unsecured ₹	Secured ₹	Unsecured ₹
<b>Loans and advances from related parties</b>					
Shanmugham Thiagarajan	Spouse of Managing Director	-	36,624,742	-	36,624,742
Stur Technologies Pvt Ltd.,	Promoter	-	6,009,141	-	6,009,141
<b>Total - Loans and advances from Related Parties</b>		-	<b>42,633,883</b>	-	<b>42,633,883</b>

NOTE 4 : OTHER LONG-TERM LIABILITIES	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
	₹	₹
(i) Trade and Security Deposits	923,772	802,887
(ii) Compensation Deposits and Token Deposits	134,450,350	132,526,910
<b>Total</b>	<b>135,374,122</b>	<b>133,329,797</b>

### NOTE 5 : LONG-TERM PROVISIONS

(i) Provision for Compensated Absences - Refer note 21.3.1(ii)	625,099	878,409
(ii) Provision for Gratuity - Refer note 21.3.1(ii)	1,014,970	435,908
<b>Total</b>	<b>1,640,069</b>	<b>1,314,317</b>

### NOTE 6 : TRADE PAYABLES

<b>Trade payables:</b>		
Due to Micro and Small Enterprises	24,559	-
Due to Others	1,009,799	6,742,718
<b>Total</b>	<b>1,034,358</b>	<b>6,742,718</b>

<b>NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS</b>		
<b>NOTE 7 : OTHER CURRENT LIABILITIES</b>	<b>As at 31<sup>st</sup> March, 2017</b>	<b>As at 31<sup>st</sup> March, 2016</b>
	<b>₹</b>	<b>₹</b>
<b>(a) Unpaid dividends</b>	1,863,547	1,863,720
<b>(b) Other payables</b>		
(i) Statutory Payables	221,935	510,612
(ii) Others	146,503	146,503
<b>Total</b>	<b>2,231,985</b>	<b>2,520,835</b>
<b>NOTE 8 : SHORT-TERM PROVISIONS</b>		
<b>(a) Provision for employee benefits:</b>		
(i) Provision for Bonus & Ex-Gratia	1,100,770	1,125,759
(ii) Provision for Compensated Absences - Refer note 21.3.1(ii)	689,015	355,989
(iii) Provision for Gratuity - Refer note 21.3.1(ii)	272,068	336,412
Sub-total	<b>2,061,853</b>	<b>1,818,160</b>
<b>(b) Provision - Others:</b>		
(i) Provision for Proposed Equity Dividend	5,600,010	6,800,012
(ii) Provision for Tax on Proposed Dividends	1,140,030	1,384,322
Sub-total	<b>6,740,040</b>	<b>8,184,334</b>
<b>Total</b>	<b>8,801,893</b>	<b>10,002,494</b>

# **TWENTY SIXTH ANNUAL REPORT 2016 - 17**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS										
NOTE 9 (i) TANGIBLE ASSETS - CURRENT YEAR										(Amount in ₹ )
Asset Group	Gross Block				Depreciation / Amortisation				Net Block	
	Assets as at 31st March 2016	Addition During the year	Deletion During the year	Assets as at 31st March 2017	Depreciation as at 31 03 16	Depreciation for the Year	Depreciation on Deletions	Depreciation as at 31 03 17	Balance as at 31st March 2017	Balance as at 31st March 2016
Land	2,348,620	-	-	2,348,620	-	-	-	-	2,348,620	2,348,620
Lease Hold Land	115,041,537	-	-	115,041,537	4,716,280	-	-	4,716,280	110,325,257	110,325,257
Building	226,368,391	-	-	226,368,391	63,931,240	5,308,763	-	69,240,003	157,128,388	162,437,151
Plant & Machinery	31,313,200	-	-	31,313,200	17,495,889	3,019,748	-	20,515,637	10,797,563	13,817,311
Windmill	27,625,000	-	-	27,625,000	27,625,000	-	-	27,625,000	-	-
Electrical Fittings	71,882,747	5,900,781	2,557,601	75,225,927	49,641,232	5,335,847	2,177,673	52,799,407	22,426,520	22,241,514
Furniture & Fixtures	39,775,327	347,050	-	40,122,377	32,601,390	3,364,998	-	35,966,388	4,155,989	7,173,938
Fitouts	79,437,864	-	-	79,437,864	60,539,909	8,865,240	-	69,405,149	10,032,715	18,897,955
Computers	1,347,399	26,670	-	1,374,069	1,068,163	175,523	-	1,243,686	130,383	279,236
Air Conditioners	25,922,928	356,581	18,320	26,261,189	19,173,105	1,497,439	10,647	20,659,897	5,601,291	6,749,823
UPS	14,893,130	-	396,000	14,497,130	9,000,896	1,461,863	-	10,462,759	4,034,371	5,892,234
Others	16,193,757	677,877	394,624	16,477,011	15,009,247	579,368	389,689	15,198,926	1,278,085	1,184,510
Photocopier Machine	367,290	-	-	367,290	198,118	94,395	-	292,513	74,777	169,172
Multi Level Car Park	20,348,801	-	-	20,348,801	12,083,193	1,509,882	-	13,593,075	6,755,726	8,265,608
Vehicles	7,060,622	-	-	7,060,622	1,481,029	1,765,156	-	3,246,185	3,814,437	5,579,593
Total	679,926,613	7,308,959	3,366,545	683,869,028	314,564,691	32,978,222	2,578,008	344,964,906	338,904,122	365,361,922
Total of Previous Year	659,264,656	25,024,109	4,362,152	679,926,613	276,231,797	41,627,690	3,294,796	314,564,691	365,361,922	383,032,859



NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS										
NOTE 9 (ii) INTANGIBLE ASSETS - CURRENT YEAR										(Amount in ₹ )
ASSET GROUP	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	Assets as at 31st March 2016	Addition During the year	Deletion During the year	Assets as at 31st March 2017	Depreciation as at 31 03 16	Depreciation for the Year	Depreciation on Deletions	Depreciation as at 31 03 17	Balance as at 31st March 2017	Balance as at 31st March 2016
Computer Software	506,242	-	-	506,242	506,242	-	-	506,242	-	-
Total	506,242	-	-	506,242	506,242	-	-	506,242	-	-
Total of Previous Year	506,242	-	-	506,242	506,242	-	-	506,242	-	-

# **TWENTY SIXTH ANNUAL REPORT 2016 - 17**

<b>NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS</b>										
<b>NOTE 9 (i) TANGIBLE ASSETS - PREVIOUS YEAR</b>										(Amount in ₹)
Asset Group	Gross Block				Depreciation / Amortisation				Net Block	
	Assets as at 31st March 2015	Addition During the year	Deletion During the year	Assets as at 31st March 2016	Depreciation as at 31 03 15	Depreciation for the Year	Depreciation on Deletions	Depreciation as at 31 03 16	Balance as at 31st March 2016	Balance as at 31st March 2015
Land	2,348,620	-	-	2,348,620	-	-	-	-	2,348,620	2,348,620
Lease Hold Land	115,041,537	-	-	115,041,537	4,716,280	-	-	4,716,280	110,325,257	110,325,257
Building	226,368,391	-	-	226,368,391	58,614,634	5,316,606	-	63,931,240	162,437,151	167,753,757
Plant & Machinery	30,880,154	433,046	-	31,313,200	14,145,301	3,350,588	-	17,495,889	13,817,311	16,734,853
Wind Mill	27,625,000	-	-	27,625,000	27,625,000	-	-	27,625,000	-	-
Electrical Fittings	70,512,035	4,151,242	2,780,530	71,882,747	44,608,912	6,734,883	1,702,563	49,641,232	22,241,514	25,903,123
Furniture & Fixture	39,715,268	60,060	-	39,775,328	28,996,756	3,604,634	-	32,601,390	7,173,938	10,718,512
Fitouts	70,879,297	8,558,567	-	79,437,864	43,107,156	17,432,753	-	60,539,909	18,897,955	27,772,141
Computers	1,214,108	184,293	51,002	1,347,399	833,392	285,773	51,002	1,068,163	279,236	380,716
Air Conditioners	25,800,990	121,938	-	25,922,928	17,664,016	1,540,303	31,214	19,173,105	6,749,823	8,136,974
UPS	10,256,996	6,086,134	1,450,000	14,893,130	10,223,672	227,224	1,450,000	9,000,896	5,892,234	33,324
Others	15,773,418	420,339	-	16,193,757	14,555,339	453,908	-	15,009,247	1,184,510	1,218,079
Photocopier Machine	332,620	115,290	80,620	367,290	153,604	104,531	60,017	198,118	169,172	179,016
Multi Level Car Park	20,348,801	-	-	20,348,801	10,573,311	1,509,882	-	12,083,193	8,265,608	9,775,490
Vehicles	2,167,422	4,893,200	-	7,060,622	414,424	1,066,605	-	1,481,029	5,579,593	1,752,998
<b>Total</b>	<b>659,264,656</b>	<b>25,024,109</b>	<b>4,362,152</b>	<b>679,926,613</b>	<b>276,231,797</b>	<b>41,627,691</b>	<b>3,294,796</b>	<b>314,564,691</b>	<b>365,361,922</b>	<b>383,032,859</b>
<b>Total of Previous Year</b>	<b>638,885,214</b>	<b>24,184,306</b>	<b>3,804,864</b>	<b>659,264,656</b>	<b>225,193,914</b>	<b>49,100,449</b>	<b>3,745,084</b>	<b>270,549,279</b>	<b>383,032,859</b>	

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### NOTE 9 (ii) INTANGIBLE ASSETS - PREVIOUS YEAR

(Amount in ₹)

ASSET GROUP	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK	
	Assets as at 31st March 2015	Addition During the year	Deletion During the year	Assets as at 31st March 2016	Depreciation as at 31 03 15	Depreciation for the Year	Depreciation on Deletions	Depreciation as at 31 03 16	Balance as at 31st March 2016
Computer Software	506,242	-	-	506,242	506,242	-	-	506,242	-
<b>Total</b>	<b>506,242</b>	<b>-</b>	<b>-</b>	<b>506,242</b>	<b>506,242</b>	<b>-</b>	<b>-</b>	<b>506,242</b>	<b>-</b>
<b>Total of Previous Year</b>	<b>506,242</b>	<b>-</b>	<b>-</b>	<b>506,242</b>	<b>473,032</b>	<b>-</b>	<b>-</b>	<b>473,032</b>	<b>33,210</b>

### NOTE 10 : NON-CURRENT INVESTMENTS

Particulars	As at 31 <sup>st</sup> March, 2017			As at 31 <sup>st</sup> March, 2016		
	Quoted	Unquoted	Unquoted	Quoted	Unquoted	Unquoted
	₹	₹	₹	₹	₹	₹
<b>Investments (At cost):</b>						
<b>A Other Investment</b>						
<b>Investment in Equity Instruments</b>						
<b>(i) of Subsidiaries</b>						
1,00,000 Equity Shares (As at 31st March 2016: 1,00,000) of ₹ 10 each fully paid up in Elnet Software City Ltd.,	-	1,000,000	-	-	1,000,000	-
Less : Diminution in Value of Investment	-	(441,981)	558,019	-	-	1,000,000
<b>(ii) Others</b>						
30,25,300 Equity Shares (As at 31st March 2016: 30,25,300) of ₹ 10 each fully paid up in IG3 Infra Ltd (Formerly known as Indian Green Grid Group Ltd)	-	-	30,253,000	-	-	30,253,000
<b>(iii) Investment in Mutual Fund</b>						
Axis Bank Hybrid Series 27 - Growth	40,000,000	-	-	40,000,000	-	-
4,000,000 units - Market Value of Unit is ₹ 10.6965 per unit as at 31.03.17 (As at 31st March 2016: Market Value of Unit is ₹ 9.8863 per unit)	-	-	-	-	-	-
<b>Aggregate Amount of Quoted &amp; Unquoted Investments</b>	<b>40,000,000</b>	<b>-</b>	<b>30,811,019</b>	<b>40,000,000</b>	<b>-</b>	<b>31,253,000</b>
<b>Total Non-Current Investments</b>	<b>70,811,019</b>			<b>71,253,000</b>		

Aggregate market value of quoted investments ₹ 4,27,86,000/-

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS				
NOTE 11 : LONG-TERM LOANS AND ADVANCES				
Particulars	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
	₹	₹	₹	₹
<b><u>Unsecured , Considered Good</u></b>				
(a) Security deposits		6,843,223		6,175,263
(b) Loans and advances to Employees		-		5,340
(c) Balance with Revenue Authorities				
(i) Advance Income Tax {Net of provision for Tax for current year ₹ 4,55,00,000 (Previous year ₹ 4,04,17,000)}	11,448,054		15,414,992	
(ii) CENVAT Credit Receivable	<u>93,709</u>	11,541,763	<u>187,632</u>	15,602,624
<b>Net Total</b>		<b>1,83,84,986</b>		<b>21,783,227</b>

NOTE 12 : OTHER NON-CURRENT ASSETS		
Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
	₹	₹
<b>(i) Other Bank Balances</b> (Bank Deposits with more than 12 months maturity)	165,500,000	-
<b>Total</b>	<b>165,500,000</b>	<b>-</b>

NOTE 13 : TRADE RECEIVABLES		
Trade Receivables outstanding for a period exceeding Six Months from the date they were due for payment	4,928	-
Other Trade Receivables - Secured, considered Good	23,113,563	18,298,993
<b>Total</b>	<b>23,118,491</b>	<b>18,298,993</b>

NOTE 14 : CASH AND CASH EQUIVALENTS		
(a) Cash on hand	12,191	22,569
(b) Balances with banks		
(i) In current accounts	1,955,708	863,594
(ii) In deposit accounts	166,000,000	244,000,000
(iii) Unpaid dividend accounts	1,863,547	1,863,720
<b>Total</b>	<b>169,831,446</b>	<b>246,749,883</b>

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### NOTE 15 : SHORT-TERM LOANS AND ADVANCES

Particulars	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
	₹	₹	₹	₹
<b><u>Unsecured , Considered Good</u></b>				
(a) Loans and Advances to Employees	-	121,637	-	80,819
(b) Advance to Suppliers	-	-	-	16,710
(c) Prepaid Expenses	-	1,951,414	-	2,837,255
(d) Others	356,582		356,582	
Less : Provision for Bad Debts	<u>(356,582)</u>	-	<u>(356,582)</u>	-
<b>Total</b>		<b>2,073,051</b>		<b>2,934,784</b>

### NOTE 16 : OTHER CURRENT ASSETS

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
	₹	₹
<b>(a) Accruals</b>		
(i) Interest accrued but not due on deposits	10,099,592	8,931,881
<b>(b) Stores Stock</b>	899,280	672,801
<b>(c) Stock of Access Card</b>	148,621	85,875
<b>Total</b>	<b>11,147,493</b>	<b>9,690,557</b>

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

### NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

#### NOTE 17 : REVENUE FROM OPERATIONS

Particulars	For the year ended 31 <sup>st</sup> March, 2017	For the year ended 31 <sup>st</sup> March, 2016
	₹	₹
<b>Sale of Services comprises</b>		
(a) Compensation Income	179,415,214	171,812,475
(b) Other Operating Revenues	47,244,604	49,028,380
<b>Total</b>	<b>226,659,818</b>	<b>220,840,855</b>

#### NOTE 18 : OTHER INCOME

(a) Interest Income	22,732,860	20,504,745
(b) Other Non-Operating Income	192,212	89,565
<b>Total</b>	<b>22,925,072</b>	<b>20,594,310</b>

#### NOTE 19 : EMPLOYEE BENEFITS EXPENSE

Salaries and Wages	15,179,104	14,139,825
Contributions to Provident and Other Funds	1,582,358	2,023,057
Staff Welfare Expenses	696,478	557,418
<b>Total</b>	<b>17,457,940</b>	<b>16,720,300</b>

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### NOTE 20 : OTHER EXPENSES

Particulars	For the year ended 31 <sup>st</sup> March, 2017	For the year ended 31 <sup>st</sup> March, 2016
	₹	₹
Electricity ( Refer Note 21 -4.5)	29,997,700	32,004,725
Diesel	3,990,755	6,760,242
Water	1,738,527	1,685,585
Rent including Lease Rentals	1	1
Repairs and Maintenance - Buildings	15,006,808	17,881,109
Repairs and Maintenance - Machinery	4,592,754	4,405,233
Repairs and Maintenance - Others	10,831,990	10,813,147
Insurance	1,132,350	1,073,836
Rates and Taxes	2,394,217	2,938,448
Communication	571,499	434,475
Travelling and Conveyance	1,799,919	1,350,364
Printing and stationery	455,460	500,639
Business Promotion	662,838	580,135
Legal and Professional	1,150,731	641,786
Payments to Auditors (Refer Note below)	475,000	475,000
Sitting Fees	658,000	686,000
CSR Contribution	1,795,000	1,676,000
Miscellaneous Expenses	664,890	519,219
Loss on Sale of Fixed Assets	48,852	683,548
<b>Total</b>	<b>77,967,291</b>	<b>85,109,492</b>
<b>Notes :</b>		
<b>Payments to the auditors comprises</b>		
As auditors - statutory audit	325,000	325,000
For taxation matters	75,000	75,000
For other services	75,000	75,000
<b>Total</b>	<b>475,000</b>	<b>475,000</b>

## **TWENTY SIXTH ANNUAL REPORT 2016 - 17**

---

### **NOTE 21: SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY STATEMENT TO THE STANDALONE FINANCIAL STATEMENTS**

#### **1. GENERAL INFORMATION**

Elnet Technologies Limited (ETL) was incorporated in August 1990 as a Public Limited Company which is situated in the IT corridor, Rajiv Gandhi Salai, Taramani, Chennai. ETL's core competence is to develop and manage Software Technology Park. ETL has pioneered the concept of Software Technology Park in India and also providing infrastructure to IT and ITES.

#### **2. SIGNIFICANT ACCOUNTING POLICIES**

##### **2.1 Basis of Preparation of Financial Statements**

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ( "Act" ) read with relevant rules issued thereunder, the provisions of the Act ( to the extent notified ) and guidelines issued by the Securities and Exchange Board of India ( SEBI ). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

##### **2.2 Accounting Estimates**

The preparation of financial statements in conformity with the generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any difference between the actual result and estimates are recognized in the period in which the results are known / materialize. Any revision to accounting estimates is recognized prospectively in current and future periods.

##### **2.3 Revenue Recognition**

Compensation Income and Electricity Income are accounted on accrual basis as and when they are due on monthly basis.

Interest Income is accounted on accrual basis.

Income from Windmill is taken on a monthly basis upon credit given by Tamil Nadu Electricity Board for the units generated and supplied.



## 2.4 Fixed Assets and Intangibles

Fixed Assets are stated at historical cost less accumulated depreciation. Historical Cost includes expenditure of capital nature and valued at cost of acquisition inclusive of freight, duties, taxes, incidental charges relating to the acquisition and the cost of installation / erection as applicable. In respect of construction of assets forming part of expansion project, directly attributable costs including financing costs relating to specific borrowings are also capitalized.

Cost of assets not put to use before the year end are shown under Capital Work – in – Progress.

Land Lease deposit has also been shown under “Lease Hold Land” and not amortized over the period of lease, as the deposit is refundable after the expiry of period of 90 years

Land Lease registration charges has been shown under “Lease Hold Land” and amortized over a period of ten years.

Accounting Softwares are considered as Intangible assets.

## 2.5 Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceed its recoverable value. An impairment loss is charged for when the asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

## 2.6 Depreciation

Depreciation on tangible assets are provided on Straight Line Method over the useful life of the assets.

- a) In respect of the following assets, the management, based on internal assessment and evaluation, estimates the useful life as follows:

Particulars of Assets	Useful Life ( in years )
Fitouts	4.00
Furniture & Fixture	4.00
Multi Level Car Park	13.50
Office Equipments	4.00
Vehicle – Car	4.00

- b) In respect of other assets, the useful life as provided under Schedule II of the Companies Act, 2013 is considered.
- c) Residual value for all assets is considered as Nil

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

---

### 2.7 Investments

Investments are held as long term and are stated at Cost less provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment.

### 2.8 Employee benefits

#### i) Post –Employment Benefit Plans

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognized in full in the Statement of Profit and Loss for the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested, and otherwise is amortized on straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognized in the balance sheet represents the present value of the defined obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.

#### ii) Short-term Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period when the employee renders the service.

### 2.9 Taxation

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT), if any, is paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax

rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

## **2.10 Earnings Per Share**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

## **2.11 Provisions and Contingent liabilities**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best

## **TWENTY SIXTH ANNUAL REPORT 2016 - 17**

---

estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Where no reliable estimate can be made, disclosure is made as contingent liability. A disclosure for a contingent liability is also made if there is a possible or a present obligation that may, but probably will not result in outflow of resources. Contingent liabilities are disclosed in the additional information to financial statements.

### **2.12 Service Tax Input Credit**

Service Tax input credit is accounted for in the books in the period in which the underline service received is accounted and when there is no uncertainty in availing/utilizing the credits.

## **3. EXPLANATORY STATEMENT**

### **3.1 Retirement benefits to employees**

#### **(i) Defined Contribution Plan**

##### **Provident fund**

In respect of defined contributions schemes, contributions to Provident Fund and Family Pension they are charged to the statement of Profit and Loss as incurred.

#### **(ii) Defined benefit plan**

##### **Gratuity**

The Company provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as of the balance sheet date, based upon which, the company contributes all the ascertained liabilities to the Elnet Technologies Ltd Employees' Gratuity Fund Trust (the "Trust"). Trustees administer contributions by means of a group gratuity policy with Life Insurance Corporation of India.

The following table sets out the status of the gratuity plan as required under AS 15:

**Change in benefit obligations (Fully Funded)**

Particulars	31.03.2017	31.03.2016
	₹ in Lakhs	₹ in Lakhs
Projected benefit obligation at the beginning of the year	35.22	21.93
Service Cost	5.59	1.79
Interest cost	2.46	4.03
Actuarial (gain)/loss	1.93	7.47
Benefits paid	(10.00)	-
Projected benefit obligation, end of the year	31.34	35.22

**Change in plan assets:**

Particulars	31.03.2017	31.03.2016
	₹ in Lakhs	₹ in Lakhs
Plan assets at beginning of the year at fair value	27.50	24.67
Expected return on plan assets	1.84	2.13
Actuarial gain/(loss)	(1.84)	0.15
Employer's Contributions	0.97	0.55
Benefits paid	(10.00)	-
Plan assets at end of the year at fair value	18.47	27.50

**Reconciliation of present value of the obligation and the fair value of the plan assets**

Particulars	31.03.2017	31.03.2016
	₹ in Lakhs	₹ in Lakhs
Fair value of plan assets at the end of the year	18.47	27.50
Present value of the defined benefit obligations at the end of the period	(31.34)	(35.22)
( Liability ) / Asset	(12.87)	(7.72)

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

### Gratuity cost for the year ended March 31st 2017

Particulars	31.03.2017	31.03.2016
	₹ in Lakhs	₹ in Lakhs
Service cost	5.59	4.03
Interest cost	2.46	1.78
Expected return on plan assets	(1.84)	(2.12)
Actuarial (gain)/ loss	(0.09)	7.32
Net cost	6.12	11.01

**The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:**

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Investment with Insurer	100%	100%
Rate of return on plan assets	8.00%	8.50%

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

### Investment details of plan assets :

**Deposited with Life Insurance Corporation of India (Group gratuity policy).**

### Assumptions

Particulars	31.03.2017	31.03.2016
Discount rate	7%	8%
Salary escalation rate	12%	12%
Expected employers contribution next year (₹ in Lakhs )	1.25	1.25

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**(iii) Leave encashment**

The employees of the Company are entitled to compensated absence. The employees can carry forward a portion of the unutilized accrued compensated absence and utilize it in future periods or receive cash compensation at retirement or termination of employment for the unutilized accrued compensated absence for a maximum of 180 days. The Company records an obligation for compensated absences in the period in which the employee renders the services that increase this entitlement. The Company measures the expected cost of compensated absence as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date based on actuarial valuations which is non funded.

Change in benefit obligations (Non Funded)	Leave Encashment	
	31.03.2017	31.03.2016
Particulars	₹ in Lakhs	₹ in Lakhs
Projected benefit obligation at the beginning of the year	12.34	10.65
Service Cost	8.50	1.03
Interest cost	0.61	0.75
Actuarial (gain)/loss	1.09	2.59
Benefits paid	(9.40)	(2.68)
Projected benefit obligation, end of the year	13.14	12.34

Particulars	Leave Encashment	
	31.03.2017	31.03.2016
	₹ in Lakhs	₹ in Lakhs
Service cost	8.50	1.03
Interest cost	0.61	0.74
Actuarial (gain)/ loss	1.09	2.59
Net cost	10.20	4.36

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

### Assumptions

Particulars	31.03.2017	31.03.2016
Interest (Discount rate) Liability	7%	8%
Salary escalation rate (p.a.)	12%	12%
Resignation Rate (p.a.)	10%	10%

Accumulated leave, which is expected to be utilized within the next 12 months, treated as short-term employee benefits.

**3.2 Segment wise reporting as per standard AS 17 is not applicable to the company as the company collects only compensation from its tenants.**

### 3.3 Related Party Transactions

#### Related Party Disclosures

I. Name of the related party	Electronics Corporation of Tamil Nadu Ltd (ELCOT)
Description of the relationship between the parties	Joint venture partner holding 26% Equity capital of the company
Description of the nature of transaction	Lease of land presently occupied by the Company. 1. Land Lease Rentals. 2. Web hosting charges. 3. Sitting fees.
Volume of transactions	1. ₹1/- towards lease rent. (2016: ₹1/-) 2. Web hosting charges ₹Nil. (2016 : ₹ 8,550/-) 3. Sitting fees ₹ 70,000. (2016: ₹ 91,000)
Any other element of the transaction necessary for understanding the transaction	Nil
Amount outstanding at the balance sheet date	₹11,03,25,257 (2016: ₹11,03,25,257)
Amount written back during the year	Nil

II Name of the related party	Elnet Software City Limited
Description of the relationship between the parties	Subsidiary Company
Description of the nature of transaction	Investment in equity shares
Volume of transactions	Nil (2016: Nil)
Any other element of the transaction necessary for understanding the transaction	None
Amount outstanding at the balance sheet date	NIL
Amount written back during the year	NIL



<b>III Name of the related party</b>	<b>IG3 Infra Ltd (Formerly Indian Green Grid Group Ltd)</b>
Description of the relationship between the parties	A company in which Managing Director is also the Managing Director
Description of the nature of transaction	Investment in equity shares
Volume of transactions	Nil (2016: Nil )
Any other element of the transaction necessary for understanding the transaction	None
Amount outstanding at the balance sheet date	NIL
Amount written back during the year	NIL

<b>IV Name of the related party</b>	<b>Stur Technologies Pvt Ltd., (Formerly New Era Technologies Pvt Ltd)</b>
Description of the relationship between the parties	Promoter
Description of the nature of transaction	(a) The unsecured loan from the company to the tune of ₹ 60,09,141/- continues to exist. (b) Interest of ₹1,46,503/- payable on FD made out of disputed dividend for the years 2000-01 and 2001-02
Volume of transactions	NIL
Any other element of the transaction necessary for understanding the transaction	None
Due payable at the balance sheet date	(a) ₹60,09,141/- (2016: ₹ 60,09,141/-) (b) ₹1,46,503/- (2016: ₹1,46,503)
Amount written back during the year	NIL

<b>V Name of the related party</b>	<b>Shri. Shanmugham Thiagarajan (Formerly Shri Thiagaraj S Chettiar)</b>
Description of the relationship between the parties	Spouse of Managing Director
Description of the nature of transaction	Unsecured Loan of ₹ 3,66,24,742/- (2016: ₹ 3,66,24,742/-)
Volume of transactions	NIL
Any other element of the transaction necessary for understanding the transaction	None
Due payable at the balance sheet date	₹ 3,66,24,742/- (2016: ₹ 3,66,24,742)
Amount written back during the year	NIL

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

### KEY MANAGEMENT PERSONNEL

<b>VI Name of the related party</b>	<b>Mrs. Unnamalai Thiagarajan</b>
Description of the relationship between the parties	Managing Director of the Company
Description of the nature of transaction	Remuneration
Volume of transactions	₹ 14,00,000/- (2016: ₹ 14,00,000)
Any other element of the transaction necessary for understanding the transaction	NIL
Amount outstanding at the balance sheet date	NIL
Amount written back during the year	NIL

### 3.4 DISCLOSURE ON SPECIFIED BANK NOTES (SBNS)

During the year, the company had specified bank notes or other denomination notes as defined in the MCA Notifications G.S.P. 308 (E) dated March 31, 2017 on the details of Specified Bank Notes (SBNs) held and transacted during the period from November 8, 2016 to December 30, 2016. The denomination wise SBNs and other notes as per the notification is given below:

Amount in ₹

Particulars	SBN's*	Other Denominations	Total
Balance as on November 08, 2016	22,500	13,143	35,643
(+) Permitted Receipts	-	205,850	205,850
(-) Permitted Payments	-	(206,264)	(206,264)
(-) Amount Deposited in Banks	(11,500)	-	(11,500)
(-)/(+) Amount exchanged in Banks	(11,000)	11,000	-
<b>Closing Cash in hand as on December 30, 2016</b>	<b>-</b>	<b>23,729</b>	<b>23,729</b>

\*For the purpose of this clause, the term “Specified Bank Notes” shall have the same meaning prescribed in the notification of the Government of India in the Ministry of Finance, Department of Economic Affairs number S.O.1407(E), dated November 8, 2016.

### 3.5 Earnings per share

Particulars	2016-17	2015-16
Net Profit available for Equity Shareholders (₹)	78,487,811	64,461,138
Weighted average number of Equity Shares Outstanding	4,000,007	4,000,007
Basic and diluted EPS (₹)	19.62	16.12

Basic & diluted earnings per share (EPS) computed in accordance with AS-20 - Earnings per Share

### 3.6 Deferred Tax Liability /Asset

As per the Accounting Standard “AS 22”, the Company is required to make a provision for “deferred tax liability/ asset”. During the year an amount of ₹ 32.21 Lakhs has been recognized for deferred tax asset.

The balance deferred tax liability (net) outstanding as on 31.03.2017 is ₹ 62.63 Lakhs the details of which are as follows:

Particulars	As at 31.03.16	Tax effect for the year	As at 31.03.17
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
<b>Deferred Tax ( Liability)</b>			
Fixed Assets	(108.59)	26.72	(81.87)
Sub Total	(108.59)	26.72	(81.87)
<b>Deferred Tax Asset</b>			
Amortization of Land registration Charges	13.74	(0.18)	13.56
Gratuity	-	3.51	3.51
Compensated Absences	-	2.16	2.16
Sub Total	13.74	5.49	19.23
Deferred Tax Asset / ( Liability)	(94.84)	32.21	(62.63)

### 3.7 DIMINUTION IN INVESTMENT IN SUBSIDIARY COMPANY ELNET SOFTWARE CITY LTD

The Company’s investment in its subsidiary, Elnet Software City Limited is ₹ 10 lakhs. Considering the erosion of net worth and the intention of the management to wind-up its subsidiary, it is considered that the diminution in carrying value of the investment in the subsidiary is other than temporary in nature. Consequently, the Company has made a provision for diminution, for an amount of ₹ 441,981 and disclosed the same under exceptional item in the statement of Profit and Loss.

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

---

### 4. ADDITIONAL INFORMATION TO FINANCIAL STATEMENTS

#### 4.1 Wind Mill

During the financial year, the Company sold 12,82,363 units to Tamilnadu Electricity Board. (2016 : 7,45,176 units).

#### 4.2 DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006:

- (a) The principal amount remaining unpaid as at 31 March 2017 in respect of enterprises covered under the “Micro, Small and Medium Enterprises Development Act, 2006” (MSMDA) is ₹ 24,559 (previous year: ₹ Nil). There was no interest amount payable based on the provisions under Section 16 of the MSMDA.
- (b) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act is ₹ Nil (previous year: ₹ Nil).
- (c) The list of undertakings covered under MSMDA was determined by the Company on the basis of information available with the Company and has been relied upon by the auditors.

#### 4.3 Details for Compensation income

	As at 31-03-2017	As at 31-03-2016
	₹	₹
Cost of Buildings leased	226,368,391	226,368,391
Depreciation provided during the year on Buildings leased	53,08,763	53,16,606
Accumulated depreciation on buildings leased including transition adjustment	69,240,003	63,931,240
Future Compensation receivable		
Not later than one year	13,43,90,633	17,69,27,024
Later than one year and not later than five years	13,06,44,650	17,58,35,882
Later than five years	8,86,542	4,58,492

#### **4.4 Current Liabilities**

- (i) The company continues to hold the amount of ₹ 1,46,503/- (2016: ₹ 1,46,503/-) on account of Interest payable on FD made out of disputed dividend for the years 2000-01 and 2001-02.
- (ii) There are no amounts due to the Central Government on account of Investor Education and Protection Fund as on 31.03.2017. The balance amount lying under the Unpaid Dividend Account 2009–2010 declared on 21.07.2010 for the year 2009-10 falls due on 24.08.2017.

#### **4.5 Statement of Profit and Loss**

Electricity Expenses have been reduced to the extent of ₹ 86,67,030 /- (2016: ₹ 50,46,017/-) for sale of electricity generated from windmill. There is no impact on the statement of Profit and Loss.

#### **4.6 Estimated amount of liability on capital contracts as on 31.03.2017 not provided for is ₹ Nil. (Previous year ₹ Nil).**

#### **4.7 Contingent Liabilities in respect of:**

##### **Claims against the Company not acknowledged as debt**

##### **(i) Income Tax demand**

There is a dispute with regard to the treatment of income of the company by the Income Tax Department as “Income from House Property”, whereas in the opinion of the Company, the income should be treated as “Income from Business”, which has been confirmed by the Income Tax Appellate Tribunal.

In respect of Assessment Years 1996-97, 1998-99, 2000-01 & 2001-02, the Madras High Court has decided the case in favour of the Company. The Department has filed a special leave petition with the Supreme Court. In the event the Supreme Court reverses the order of the High Court of Madras, there will be a contingent liability of ₹ 100.58 Lakhs.

In respect of Assessment Years 2003-04, the Income Tax Department had preferred an appeal before the High Court of Madras against the orders issued by the Income Tax Appellate Tribunal which was passed in favour of the company. In the event there is a reversal of the order, there will be a contingent liability of ₹ 389.22 Lakhs.

In respect of Assessment Years 2007-08 and 2009-10, the case is pending with the Commissioner of Income Tax –Appeals. The contingent liability in this regard amounts to ₹ 11.78 Lakhs.

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

---

### (ii) Service Tax:

The company had received show cause notice from the Office of the Commissioner of Service Tax on the applicability of service tax on Electricity charges reimbursed from the occupants including generation from Generator for the period April 2006 – March 2012. As per legal opinion, the company has been advised that, it is not liable for service tax on this issue. The company had obtained an interim stay from the High Court of Madras against the show cause notice which was modified by the High Court. The company filed a fresh Writ Petition for stay and an order was received in September 2014 directing the company to represent before the Service tax department and the same has been complied. In view of this, there is a contingent liability of ₹ 282.64 Lakhs.

### (iii) Lease Rent :

In respect of claim made by ELCOT during the year 2009-10 for a sum of ₹ 9.56 crores towards difference in the computation of Lease Rent for the period from 14.02.1991 to 14.01.1999, the Company prima-facie has reasons that the claim is not tenable and hence, no provision is considered necessary.

Previous year's figures have been re-grouped / re-classified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

As per our report attached

**Unnamalai Thiagarajan**  
Managing Director

**G. Chellakrishna**  
Director

**K.Padmanaban**  
Director

**For S.H.Bhandari & Co**  
Chartered Accountants

**T.K.Karthik**  
Chief Financial Officer

**S.Lakshmi Narasimhan**  
Company Secretary

**Sreedhar Sreekakulam**  
Partner

Place : Chennai  
Date : 12.05.2017

M.No: 026474 FRN: 000438S

<b>STANDALONE CASH FLOW STATEMENT</b>		
<b>Particulars</b>	<b>Year ended 31<sup>st</sup> March 2017</b>	<b>Year ended 31<sup>st</sup> March 2016</b>
	<b>₹</b>	<b>₹</b>
<b>A. Cash flow from Operating Activities:</b>		
Net Profit before tax and exceptional / extraordinary items	121,181,437	97,977,682
<b>Adjustments for:</b>		
(i) Depreciation	32,978,222	41,627,691
(ii) Provision for Compensated Absences	1,019,841	428,929
(iii) Provision for Gratuity	611,772	1,101,222
(iv) Loss on Sale of Assets	48,852	683,548
	<b>155,840,124</b>	<b>141,135,524</b>
<b>Less :</b>		
Interest income on Deposits	(22,732,034)	(20,502,599)
<b>Operating Profit Before Working Capital Changes</b>	<b>133,108,090</b>	<b>121,316,473</b>
<b>Adjustments for :</b>		
(Increase) / Decrease in Trade & Other Receivables	73,184,486	(58,506,788)
Increase / (Decrease) in Trade Payables & Other Liabilities	(6,938,320)	4,528,670
<b>Cash Generated from operations</b>	<b>199,354,256</b>	<b>67,338,355</b>
Income tax net of IT refund	(41,506,502)	(41,365,796)
<b>Net Cash flow from Operating activities (A)</b>	<b>157,847,754</b>	<b>25,972,559</b>
<b>B. Cash flow from Investing Activities</b>		
Purchase of Fixed Assets	(7,308,959)	(25,024,109)
Proceeds from Sale of Fixed Assets / Insurance Claim Received	739,685	415,022
Interest Received on Fixed Deposits	21,564,323	23,311,547
Long Term Investments in Mutual Fund	-	(40,000,000)
(Increase) / Decrease in Long Term Fixed Deposits with Bank	(165,500,000)	13,000,000
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(150,504,951)</b>	<b>(28,297,540)</b>

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

Particulars	Year ended 31 <sup>st</sup> March 2017	Year ended 31 <sup>st</sup> March 2016
	₹	₹
<b>C. Cash flow from financing activities</b>		
Increase / ( Decrease ) in Compensation Deposits	1,923,440	8,816,550
Dividend Paid ( Including Dividend Tax)	(8,184,507)	(6,976,244)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(6,261,067)</b>	<b>1,840,306</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>1,081,736</b>	<b>(484,675)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	886,163	1,370,838
<b>Cash and cash equivalents at the end of the year</b>	<b>1,967,899</b>	<b>886,163</b>

**Cash and cash equivalents at the end of the year includes :**

(i) Cash in Hand	12,191	22,569
(ii) Balance in Current Account with Bank	1,955,708	863,594
	<b>1,967,899</b>	<b>886,163</b>

For and on behalf of the Board of Directors

As per our report attached

**Unnamalai Thiagarajan**  
Managing Director

**G. Chellakrishna**  
Director

**K.Padmanaban**  
Director

**For S.H.Bhandari & Co**  
Chartered Accountants

**T.K.Karthik**  
Chief Financial Officer

**S.Lakshmi Narasimhan**  
Company Secretary

**Sreedhar Sreekakulam**  
Partner

Place : Chennai  
Date : 12.05.2017

M.No: 026474 FRN000438S



## FORM AOC-1

### STATEMENT PURSUANT TO SECTION 129 OF THE COMPANIES ACT, 2013 RELATING TO SUBSIDIARY COMPANY

SI No.	Particulars
1	Name of the Subsidiary Company Elnet Software City Limited
2	Financial year of the Subsidiary Company ended on 31.03.2017
3	Holding Company's Interest
a)	No. of Shares (₹ 10/- each) 100,000
b)	Extent of holding (%) 100.00%
4	Net aggregate amount of the Subsidiary's Profit / (Losses) not dealt with in the Holding Company's accounts.
i)	for the Subsidiary's Financial Year NIL
ii)	for its Previous Financial Year NIL
5	Net aggregate amount of the Subsidiary's Profit/ (Losses) dealt with in the Holding Company's accounts.
i)	for the Subsidiary's Financial Year Refer Notes on accounts - 21 (3.7)
ii)	for its Previous Financial Year NIL

For and on behalf of the Board of Directors

**Unnamalai Thiagarajan**  
Managing Director

**G. Chellakrishna**  
Director

**K.Padmanaban**  
Director

**G. Chellakrishna**  
Director

**T.K.Karthik**  
Chief Financial Officer

**S.Lakshmi Narasimhan**  
Company Secretary

Place : Chennai  
Date : 12.05.2017

## **TWENTY SIXTH ANNUAL REPORT 2016 - 17**

---

### **INDEPENDENT AUDITORS' REPORT**

#### **TO THE MEMBERS OF ELNET TECHNOLOGIES LIMITED**

##### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of ELNET TECHNOLOGIES LIMITED (here in after referred to as “the Holding Company”) and its subsidiary, Elnet Software City Limited (the Holding Company and its subsidiary together referred to as “the Group”) comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

##### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors are responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as “the Act”) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group, in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

##### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of his report referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31st March, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### **Other Matters**

- (a) We did not audit the financial statements of the subsidiary whose financial statements reflect total assets of ₹. 5,65,519 as at 31st March, 2017, total revenues of ₹. NIL and net cash outflows amounting to ₹ 2,241 for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

---

disclosures included in respect of the subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor.

- (b) Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor and the financial statements certified by the Management.

### **Report on Other Legal and Regulatory Requirements**

1. As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of its subsidiary company incorporated in India, none of the directors of the Group are disqualified as on 31st March, 2017 from being appointed as directors in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group– Refer Note 21.4.7 to the consolidated financial statements.
- ii. According to the information and explanations given to us, the Group did not have any long term contracts including derivative contracts and accordingly no provision for any material foreseeable losses has been made.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company, incorporated in India.
- iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 21.3.4 to the consolidated financial statements.

Place: Chennai  
Date : 12.05.2017

for **S.H. Bhandari & Co**  
Chartered Accountants  
FRN: 000438S  
**Sreedhar Sreekakulam**  
Partner  
Membership No.: 026474

## **ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT**

The annexure referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Elnet Technologies Ltd on the consolidated financial statements for the year ended 31st March, 2017.

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2017, we have audited the internal financial controls over financial reporting of Elnet Technologies Limited ("the Holding Company") and its subsidiary as of that date.

## **TWENTY SIXTH ANNUAL REPORT 2016 - 17**

---

### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the of the Holding company, and its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of

financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Group, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Other Matters**

Our aforesaid reports Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to the subsidiary company is based on the corresponding report of the auditors of such subsidiary.

Place: Chennai  
Date : 12.05.2017

for **S.H. Bhandari & Co**  
Chartered Accountants  
FRN: 000438S

**Sreedhar Sreekakulam**  
Partner  
Membership No.: 026474

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

CONSOLIDATED BALANCE SHEET			
Particulars	Note No.	As at 31 <sup>st</sup> March, 2017 ₹	As at 31 <sup>st</sup> March, 2016 ₹
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share Capital	1	40,000,070	40,000,070
(b) Reserves and Surplus	2	561,791,593	490,043,822
		<b>601,791,663</b>	<b>530,043,892</b>
<b>2 Non-current liabilities</b>			
(a) Long-Term Borrowings	3	42,633,883	42,633,883
(b) Deferred Tax Liabilities (Net)	21 (3.6)	6,262,635	9,484,430
(c) Other Long-Term Liabilities	4	135,374,122	133,329,797
(d) Long-Term Provisions	5	1,640,069	1,314,317
		<b>185,910,709</b>	<b>186,762,427</b>
<b>3 Current Liabilities</b>			
(a) Trade Payables	6		
Due to Micro and Small Enterprises		24,559	-
Due to Others		1,017,299	6,742,718
(b) Other Current Liabilities	7	2,231,985	2,520,835
(c) Short-Term Provisions	8	8,801,893	10,002,494
		12,075,736	19,266,047
<b>TOTAL</b>		<b>799,778,108</b>	<b>736,072,366</b>
<b>B ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	9 (i)	338,904,122	365,361,922
(ii) Intangible Assets	9 (ii)	-	-
(iii) Capital Work- in- Progress	9 (iii)	-	391,588
		<b>338,904,122</b>	<b>365,753,510</b>
(b) Non-Current Investments	10	70,253,000	70,253,000
(c) Long-Term Loans and Advances	11	18,384,986	21,783,227
(d) Other Non Current Assets	12	165,500,000	40,652
		<b>254,137,986</b>	<b>92,076,879</b>
<b>2 Current Assets</b>			
(a) Trade Receivables	13	23,118,491	18,298,993
(b) Cash and Cash Equivalents	14	170,374,065	247,294,743
(c) Short-Term Loans and Advances	15	2,095,951	2,957,684
(d) Other Current Assets	16	11,147,493	9,690,557
		<b>206,736,000</b>	<b>278,241,977</b>
<b>TOTAL</b>		<b>799,778,108</b>	<b>736,072,366</b>
Significant Accounting Policies and Explanatory Statement	21		

Note 21 is an integral part of these financial statements

For and on behalf of the Board of Directors

**Unnamalai Thiagarajan**  
Managing Director

**G. Chellakrishna**  
Director

**K.Padmanaban**  
Director

**T.K.Karthik**  
Chief Financial Officer  
Place : Chennai  
Date : 12.05.2017

**S.Lakshmi Narasimhan**  
Company Secretary

As per our Report attached

**For S.H.Bhandari & Co**  
Chartered Accountants

**Sreedhar Sreekakulam**  
Partner  
M.No: 026474 FRN: 000438S



<b>CONSOLIDATED STATEMENT OF PROFIT AND LOSS</b>			
Particulars	Note No.	For the year ended 31 <sup>st</sup> March, 2017	For the year ended 31 <sup>st</sup> March, 2016
		₹	₹
<b>A CONTINUING OPERATIONS</b>			
1 Revenue from Operations	17	226,659,818	220,840,855
2 Other Income	18	22,925,072	20,594,310
3 Total Revenue		<b>249,584,890</b>	<b>241,435,165</b>
<b>4 Expenses</b>			
(a) Employee Benefits Expense	19	17,457,940	16,720,300
(b) Depreciation and Amortisation Expense	9	32,978,222	41,627,691
(c) Other Expenses	20	78,409,272	85,109,492
Total Expenses		<b>128,845,434</b>	<b>143,457,483</b>
<b>5 Profit / (Loss) before tax</b>		<b>120,739,456</b>	<b>97,977,682</b>
6 Tax Expense:			
(a) Current Tax Expense for current year		45,500,000	40,417,000
(b) Current Tax Expense for prior years		(26,560)	(25,181)
(c) Deferred Tax	21 (3.6)	(3,221,795)	(6,875,275)
		<b>42,251,645</b>	<b>33,516,544</b>
<b>7 Profit / (Loss) for the year</b>		<b>78,487,811</b>	<b>64,461,138</b>
		<b>78,487,811</b>	<b>64,461,138</b>
8 Earnings per share (of face value of ₹ 10/- each):			
Basic & Diluted	21 (3.5)	19.62	16.12
Significant Accounting Policies and Explanatory Statement	21		

Note 21 is an integral part of these financial statements

For and on behalf of the Board of Directors

**Unnamalai Thiagarajan**  
Managing Director

**G. Chellakrishna**  
Director

**K.Padmanaban**  
Director

As per our Report attached

**For S.H.Bhandari & Co**  
Chartered Accountants

**T.K.Karthik**  
Chief Financial Officer  
Place : Chennai  
Date : 12.05.2017

**S.Lakshmi Narasimhan**  
Company Secretary

**Sreedhar Sreekakulam**  
Partner  
M.No: 026474 FRN: 000438S

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

### NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

#### NOTE 1 SHARE CAPITAL

Particulars	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
	Number of shares	₹	Number of shares	₹
<b>(a) Authorised</b>				
Equity shares of ₹ 10/- each with voting rights	5,000,000	50,000,000	5,000,000	50,000,000
<b>(b) Issued</b>				
Equity shares of ₹ 10/- each with voting rights	4,000,007	40,000,070	4,000,007	40,000,070
<b>(c) Subscribed and fully paid up</b>				
Equity shares of ₹ 10/- each with voting rights	4,000,007	40,000,070	4,000,007	40,000,070
<b>Total</b>	<b>4,000,007</b>	<b>40,000,070</b>	<b>4,000,007</b>	<b>40,000,070</b>

#### Note: Terms and rights attached to equity shares

(a) The company has only one class of Equity shares having value of ₹ 10 each

(b) Each holder of Equity shares is entitled to one vote per share

(c) Dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting except in the case of interim dividend

#### Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Closing Balance
<b>Equity shares with voting rights</b>		
Year ended 31st March, 2017		
- Number of shares	4,000,007	4,000,007
- Amount (₹)	40,000,070	40,000,070
Year ended 31st March, 2016		
- Number of shares	4,000,007	4,000,007
- Amount (₹)	40,000,070	40,000,070

(ii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
	Number of shares held	% Holding in that class of shares	Number of shares held	% Holding in that class of shares
<b>Equity shares with voting rights</b>				
Electronics Corporation of Tamil Nadu Ltd	1,040,006	26.00%	1,040,006	26.00%
Stur Technologies Pvt Ltd	450,000	11.25%	450,000	11.25%
Southern Projects Management Pvt Ltd	254,371	6.36%	254,371	6.36%
Shanmugam Thiagarajan	369,483	9.24%	369,483	9.24%

<b>NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS</b>		
<b>NOTE 2 : RESERVES AND SURPLUS</b>		
<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2017</b>	<b>As at 31<sup>st</sup> March, 2016</b>
	<b>₹</b>	<b>₹</b>
<b>(a) General reserve</b>		
Opening balance	271,221,462	251,190,248
Add : Transferred from surplus in Statement of Profit and Loss	20,000,000	20,000,000
Less: Depreciation under transitional provisions of the Companies Act, 2013	-	(31,214)
<b>Closing balance</b>	<b>291,221,462</b>	<b>271,221,462</b>
<b>(b) Other reserve</b>		
<b>(i) Opening balance: Subsidy from SIPCOT</b>	2,575,000	2,575,000
<b>Closing balance</b>	<b>2,575,000</b>	<b>2,575,000</b>
<b>(c) Surplus in Statement of Profit and Loss</b>		
<b>Opening balance</b>	216,247,360	179,970,556
Add : Profit for the year - Amounts Transferred from Statement of Profit and Loss	78,487,811	64,461,138
Less : <b>Final Dividend</b>		
Dividend proposed to be distributed & Distributed to equity shareholders (₹ 1.40 & ₹ 1.70 per share respectively)	5,600,010	6,800,012
Tax on Dividend	1,140,030	1,384,322
Less : <b>Transferred to General Reserve</b>	20,000,000	20,000,000
<b>Closing balance</b>	<b>267,995,131</b>	<b>216,247,360</b>
<b>Total</b>	<b>561,791,593</b>	<b>490,043,822</b>

<b>NOTE 3 : LONG-TERM BORROWINGS</b>		
<b>(a) Loans and advances from related parties</b>		
Unsecured	42,633,883	42,633,883
<b>Total</b>	<b>42,633,883</b>	<b>42,633,883</b>

**No Specific Terms and Conditions**

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

### Details of Terms of Repayment for the other Long-Term Borrowings and Security provided in respect of the Secured Other Long-Term Borrowings:

Particulars	Nature of the person	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
		Secured ₹	Unsecured ₹	Secured ₹	Unsecured ₹
<b>Loans and advances from Related Parties</b>					
Shanmugham Thiagarajan	Spouse of Managing Director	-	36,624,742	-	36,624,742
Stur Technologies Pvt Ltd.,	Promoter	-	6,009,141	-	6,009,141
<b>Total - Loans and advances from Related Parties</b>		-	<b>42,633,883</b>	-	<b>42,633,883</b>

NOTE 4 : OTHER LONG-TERM LIABILITIES	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
	₹	₹
(i) Trade and security deposits	923,772	802,887
(ii) Compensation deposits and Token Deposits	134,450,350	132,526,910
<b>Total</b>	<b>135,374,122</b>	<b>133,329,797</b>

### NOTE 5 : LONG-TERM PROVISIONS

(i) Provision for Compensated Absences - Refer Note 21.3.1(ii)	625,099	878,409
(ii) Provision for Gratuity - Refer Note 21.3.1(ii)	1,014,970	435,908
<b>Total</b>	<b>1,640,069</b>	<b>1,314,317</b>

### NOTE 6 : TRADE PAYABLES

<b>Trade payables:</b>		
Due to Micro and Small Enterprises	24,559	-
Due to Others	1,017,299	6,742,718
<b>Total</b>	<b>1,041,858</b>	<b>6,742,718</b>

<b>NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS</b>		
<b>NOTE 7 : OTHER CURRENT LIABILITIES</b>	<b>As at 31<sup>st</sup> March, 2017</b>	<b>As at 31<sup>st</sup> March, 2016</b>
	<b>₹</b>	<b>₹</b>
<b>(a) Unpaid dividends</b>	1,863,547	1,863,720
<b>(b) Other payables</b>		
(i) Statutory Payables	221,935	510,612
(ii) Others	146,503	146,503
<b>Total</b>	<b>2,231,985</b>	<b>2,520,835</b>
<b>NOTE 8 : SHORT-TERM PROVISIONS</b>		
<b>(a) Provision for employee benefits:</b>		
(i) Provision for Bonus & Ex-Gratia	1,100,770	1,125,759
(ii) Provision for Compensated Absences - Refer Note 21.3.1(ii)	689,015	355,989
(iii) Provision for Gratuity - Refer Note 21.3.1(ii)	272,068	336,412
Sub-total	<b>2,061,853</b>	<b>1,818,160</b>
<b>(b) Provision - Others:</b>		
(i) Provision for Proposed Equity Dividend	5,600,010	6,800,012
(ii) Provision for tax on Proposed Dividends	1,140,030	1,384,322
Sub-total	<b>6,740,040</b>	<b>8,184,334</b>
<b>Total</b>	<b>8,801,893</b>	<b>10,002,494</b>

# **TWENTY SIXTH ANNUAL REPORT 2016 - 17**

<b>NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS</b>										
<b>NOTE 9-(I) TANGIBLE ASSETS - CURRENT YEAR</b>										(Amount in ₹)
Asset Group	Gross Block			Depreciation / Amortisation					Net Block	
	Assets as at 31st March 2016	Addition During the year	Deletion During the year	Assets as at 31st March 2017	Depreciation as at 31 03 16	Depreciation for the Year	Depreciation on Deletions	Depreciation as at 31 03 17	Balance as at 31st March 2017	Balance as at 31st March 2016
Land	2,348,620	-	-	2,348,620	-	-	-	-	2,348,620	2,348,620
Lease Hold Land	115,041,537	-	-	115,041,537	4,716,280	-	-	4,716,280	110,325,257	110,325,257
Building	226,368,391	-	-	226,368,391	63,931,240	5,308,763	-	69,240,003	157,128,388	162,437,151
Plant & Machinery	31,313,200	-	-	31,313,200	17,495,889	3,019,748	-	20,515,637	10,797,563	13,817,311
Windmill	27,625,000	-	-	27,625,000	27,625,000	-	-	27,625,000	-	-
Electrical Fittings	71,882,747	5,900,781	2,557,601	75,225,927	49,641,232	5,335,847	2,177,673	52,799,407	22,426,520	22,241,514
Furniture & Fixtures	39,775,327	347,050	-	40,122,377	32,601,390	3,364,998	-	35,966,388	4,155,989	7,173,938
Fitouts	79,437,864	-	-	79,437,864	60,539,909	8,865,240	-	69,405,149	10,032,715	18,897,955
Computers	1,347,399	26,670	-	1,374,069	1,068,163	175,523	-	1,243,686	130,383	279,236
Air Conditioners	25,922,928	356,581	18,320	26,261,189	19,173,105	1,497,439	10,647	20,659,897	5,601,291	6,749,823
UPS	14,893,130	-	396,000	14,497,130	9,000,896	1,461,863	-	10,462,759	4,034,371	5,892,234
Others	16,193,757	677,877	394,624	16,477,011	15,009,247	579,368	389,689	15,198,926	1,278,085	1,184,510
Photocopier Machine	367,290	-	-	367,290	198,118	94,395	-	292,513	74,777	169,172
Multi Level Car Park	20,348,801	-	-	20,348,801	12,083,193	1,509,882	-	13,593,075	6,755,726	8,265,608
Vehicles	7,060,622	-	-	7,060,622	1,481,029	1,765,156	-	3,246,185	3,814,437	5,579,593
<b>Total</b>	<b>679,926,613</b>	<b>7,308,959</b>	<b>3,366,545</b>	<b>683,869,028</b>	<b>314,564,691</b>	<b>32,978,222</b>	<b>2,578,008</b>	<b>344,964,906</b>	<b>338,904,122</b>	<b>365,361,922</b>
<b>Total of Previous Year</b>	<b>659,264,656</b>	<b>25,024,109</b>	<b>4,362,152</b>	<b>679,926,613</b>	<b>276,231,797</b>	<b>41,627,690</b>	<b>3,294,796</b>	<b>314,564,691</b>	<b>365,361,922</b>	<b>383,032,859</b>

<b>NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS</b>									
<b>NOTE 9 (ii) INTANGIBLE ASSETS - CURRENT YEAR</b>									
<b>ASSET GROUP</b>	<b>GROSS BLOCK</b>			<b>DEPRECIATION / AMORTISATION</b>				<b>NET BLOCK</b>	
	Assets as at 31st March 2016	Addition During the year	Deletion During the year	Assets as at 31st March 2017	Depreciation as at 31 03 16	Depreciation for the Year	Depreciation on Deletions	Depreciation as at 31 03 17	Balance as at 31st March 2017
	Balance as at 31st March 2016								Balance as at 31st March 2016
Computer Software	506,242	-	-	506,242	506,242	-	-	506,242	-
<b>Total</b>	<b>506,242</b>	<b>-</b>	<b>-</b>	<b>506,242</b>	<b>506,242</b>	<b>-</b>	<b>-</b>	<b>506,242</b>	<b>-</b>
<b>Total of Previous Year</b>	<b>506,242</b>	<b>-</b>	<b>-</b>	<b>506,242</b>	<b>506,242</b>	<b>-</b>	<b>-</b>	<b>506,242</b>	<b>-</b>

<b>NOTE 9 (iii) CAPITAL WORK IN PROGRESS</b>									
<b>(Amount in ₹ )</b>									
Capital Work In Progress	391,588	-	391,588	-	-	-	-	-	391,588
<b>Total</b>	<b>391,588</b>	<b>-</b>	<b>391,588</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>391,588</b>
<b>Total Of Previous Year</b>	<b>339,682</b>	<b>51,906</b>	<b>-</b>	<b>391,588</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>339,682</b>

# **TWENTY SIXTH ANNUAL REPORT 2016 - 17**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS											
NOTE 9-(I) TANGIBLE ASSETS - PREVIOUS YEAR										(Amount in ₹ )	
Asset Group	Gross Block					Depreciation / Amortisation				Net Block	
	Assets as at 31st March 2015	Addition During the year	Deletion During the year	Assets as at 31st March 2016	Depreciation as at 31 03 15	Depreciation for the Year	Depreciation on Deletions	Depreciation as at 31 03 16	Balance as at 31st March 2016	Balance as at 31st March 2015	
Land	2,348,620	-	-	2,348,620	-	-	-	-	2,348,620	2,348,620	
Lease Hold Land	115,041,537	-	-	115,041,537	4,716,280	-	-	4,716,280	110,325,257	110,325,257	
Building	226,368,391	-	-	226,368,391	58,614,634	5,316,606	-	63,931,240	162,437,151	167,753,757	
Plant & Machinery	30,880,154	433,046	-	31,313,200	14,145,301	3,350,588	-	17,495,889	13,817,311	16,734,853	
Wind Mill	27,625,000	-	-	27,625,000	27,625,000	-	-	27,625,000	-	-	
Electrical Fittings	70,512,035	4,151,242	2,780,530	71,882,747	44,608,912	6,734,883	1,702,563	49,641,232	22,241,514	25,903,123	
Furniture & Fixture	39,715,268	60,060	-	39,775,328	28,996,756	3,604,634	-	32,601,390	7,173,938	10,718,512	
Fitouts	70,879,297	8,558,567	-	79,437,864	43,107,156	17,432,753	-	60,539,909	18,897,955	27,772,141	
Computers	1,214,108	184,293	51,002	1,347,399	833,392	285,773	51,002	1,068,163	279,236	380,716	
Air Conditioners	25,800,990	121,938	-	25,922,928	17,664,016	1,540,303	31,214	19,173,105	6,749,823	8,136,974	
UPS	10,256,996	6,086,134	1,450,000	14,893,130	10,223,672	227,224	1,450,000	9,000,896	5,892,234	33,324	
Others	15,773,418	420,339	-	16,193,757	14,555,339	453,908	-	15,009,247	1,184,510	1,218,079	
Photocopier Machine	332,620	115,290	80,620	367,290	153,604	104,531	60,017	198,118	169,172	179,016	
Multi Level Car Park	20,348,801	-	-	20,348,801	10,573,311	1,509,882	-	12,083,193	8,265,608	9,775,490	
Vehicles	2,167,422	4,893,200	-	7,060,622	414,424	1,066,605	-	1,481,029	5,579,593	1,752,998	
Total	659,264,656	25,024,109	4,362,152	679,926,613	276,231,797	41,627,691	3,294,796	314,564,691	365,361,922	383,032,859	
Total of Previous Year	638,885,214	24,184,306	3,804,864	659,264,656	225,193,914	49,100,449	3,745,084	270,549,279	383,032,859		



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS										
NOTE 9 (ii) INTANGIBLE ASSETS - PREVIOUS YEAR										(Amount in ₹ )
ASSET GROUP	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK		
	Assets as at 31st March 2015	Addition During the year	Deletion During the year	Assets as at 31st March 2016	Depreciation as at 31 03 15	Depreciation for the Year	Depreciation on Deletions	Depreciation as at 31 03 16	Balance as at 31st March 2016	Balance as at 31st March 2015
Computer Software	506,242	-	-	506,242	506,242	-	-	506,242	-	-
Total	506,242	-	-	506,242	506,242	-	-	506,242	-	-
Total of Previous Year	506,242	-	-	506,242	473,032	-	-	473,032	33,210	
NOTE 9 (iii) CAPITAL WORK IN PROGRESS										
(Amount in ₹ )										
Capital Work In Progress	339,682	51,906	-	391,588	-	-	-	-	391,588	339,682
Total	339,682	51,906	-	391,588	-	-	-	-	391,588	339,682
Total Of Previous Year	305,462	34,220	-	339,682	-	-	-	-	339,682	
NOTE 10 : NON-CURRENT INVESTMENTS										
Particulars				As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016				
				Quoted	Unquoted	Quoted	Unquoted			
				₹	₹	₹	₹			
Investments (At cost):										
A Other Investment										
Investment in Equity Instruments										
(i) Others	30,25,300 Equity Shares (As at 31st March 2016: 30,25,300) of ₹ 10 each fully paid up in IG3 Infra Ltd (Formerly known as Indian Green Grid Group Ltd)			-	30,253,000	-			30,253,000	
(ii) Investment in Mutual Fund	Axis Bank Hybrid Series 27 - Growth			40,000,000	-	40,000,000	-	40,000,000		
4,000,000 units - Market Value of Unit is ₹ 10.6965 per unit as at 31.03.17 (As at 31st March 2016: Market Value of Unit is ₹ 9.8863 per unit)										
Aggregate Amount of Quoted and Unquoted investments				40,000,000	30,253,000			40,000,000		30,253,000
Total Non-Current Investments				70,253,000				70,253,000		

Aggregate market value of quoted investments ₹ 4,27,86,000/-

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

<b>NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS</b>				
<b>NOTE 11 : LONG-TERM LOANS AND ADVANCES</b>				
<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2017</b>		<b>As at 31<sup>st</sup> March, 2016</b>	
	₹	₹	₹	₹
<b><u>Unsecured , Considered Good</u></b>				
(a) Security deposits		6,843,223		6,175,263
(b) Loans and advances to Employees		-		5,340
(c) Balance with Revenue Authorities				
(i) Advance Income Tax {Net of provision for Tax for current year ₹ 4,55,00,000 (Previous year 4,04,17,000)}	11,448,054		15,414,992	
(ii) CENVAT Credit Receivable	<u>93,709</u>	11,541,763	<u>187,632</u>	15,602,624
<b>Net Total</b>		<b>18,384,986</b>		<b>21,783,227</b>

<b>NOTE 12 : OTHER NON-CURRENT ASSETS</b>		
<b>(i) Other Bank Balances</b> (Bank Deposits with more than 12 months maturity)	165,500,000	-
(ii) Miscellaneous Expenses not written off	-	40,652
<b>Total</b>	<b>165,500,000</b>	<b>40,652</b>

<b>NOTE 13 : TRADE RECEIVABLES</b>		
Trade Receivables outstanding for a period exceeding Six Months from the date they were due for payment	4,928	-
Other Trade Receivables - Secured, considered Good	23,113,563	18,298,993
<b>Total</b>	<b>23,118,491</b>	<b>18,298,993</b>

<b>NOTE 14 : CASH AND CASH EQUIVALENTS</b>		
<b>(a) Cash on hand</b>	12,191	22,569
<b>(b) Balances with banks</b>		
(i) In current accounts	2,498,327	1,408,454
(ii) In deposit accounts	166,000,000	244,000,000
(iii) Unpaid dividend accounts	1,863,547	1,863,720
<b>Total</b>	<b>170,374,065</b>	<b>247,294,743</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 15 : SHORT-TERM LOANS AND ADVANCES

Particulars	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
	₹	₹	₹	₹
<b><u>Unsecured , Considered Good</u></b>				
(a) Loans and Advances to Employees	-	121,637	-	80,819
(b) Advance to Suppliers	-	22,900	-	39,610
(c) Prepaid Expenses	-	1,951,414	-	2,837,255
(d) Others	356,582		356,582	
Less : Provision for Bad Debts	<u>(356,582)</u>	-	<u>(356,582)</u>	-
<b>Total</b>		<b>2,095,951</b>		<b>2,957,684</b>

### NOTE 16 : OTHER CURRENT ASSETS

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
	₹	₹
<b>(a) Accruals</b>		
(i) Interest accrued but not due on deposits	10,099,592	8,931,881
<b>(b) Stores Stock</b>	899,280	672,801
<b>(c) Stock of Access Card</b>	148,621	85,875
<b>Total</b>	<b>11,147,493</b>	<b>9,690,557</b>

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

### NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

#### NOTE 17 : REVENUE FROM OPERATIONS

Particulars	For the year ended 31 <sup>st</sup> March, 2017	For the year ended 31 <sup>st</sup> March, 2016
	₹	₹
<b>Sale of Services comprises</b>		
(a) Compensation Income	179,415,214	171,812,475
(b) Other Operating Revenues	47,244,604	49,028,380
<b>Total</b>	<b>226,659,818</b>	<b>220,840,855</b>

#### NOTE 18 : OTHER INCOME

(a) Interest Income	22,732,860	20,504,745
(b) Other Non-Operating Income	192,212	89,565
<b>Total</b>	<b>22,925,072</b>	<b>20,594,310</b>

#### NOTE 19 : EMPLOYEE BENEFITS EXPENSE

Salaries and Wages	15,179,104	14,139,825
Contributions to Provident and Other Funds	1,582,358	2,023,057
Staff Welfare Expenses	696,478	557,418
<b>Total</b>	<b>17,457,940</b>	<b>16,720,300</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 20 : OTHER EXPENSES

Particulars	For the year ended 31 <sup>st</sup> March, 2017	For the year ended 31 <sup>st</sup> March, 2016
	₹	₹
Electricity ( Refer Note 21 -4.5)	29,997,700	32,004,725
Diesel	3,990,755	6,760,242
Water	1,738,527	1,685,585
Rent including Lease Rentals	1	1
Repairs and Maintenance - Buildings	15,006,808	17,881,109
Repairs and Maintenance - Machinery	4,592,754	4,405,233
Repairs and Maintenance - Others	10,831,990	10,813,147
Insurance	1,132,350	1,073,836
Rates and Taxes	2,394,217	2,938,448
Communication	571,499	434,475
Travelling and Conveyance	1,799,919	1,350,364
Printing and stationery	455,460	500,639
Business Promotion	662,838	580,135
Legal and Professional	1,152,168	641,786
Payments to Auditors (Refer Note below)	482,500	475,000
Sitting Fees	658,000	686,000
CSR Contribution	1,795,000	1,676,000
Miscellaneous Expenses	665,694	519,219
Miscellaneous Expenditure written off	40,652	-
Capital Work in Progress written off	391,588	-
Loss on Sale of Fixed Assets	48,852	683,548
<b>Total</b>	<b>78,409,272</b>	<b>85,109,492</b>
<b>Notes :</b>		
<b>Payments to the auditors comprises</b>		
As auditors - statutory audit	332,500	325,000
For taxation matters	75,000	75,000
For other services	75,000	75,000
<b>Total</b>	<b>482,500</b>	<b>475,000</b>

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

---

### NOTE 21: SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY STATEMENT TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### 1. GENERAL INFORMATION

Elnet Technologies Limited (ETL) was incorporated in August 1990 as a Public Limited Company which is situated in the IT corridor, Rajiv Gandhi Salai, Taramani, Chennai. ETL's core competence is to develop and manage Software Technology Park. ETL has pioneered the concept of Software Technology Park in India and also providing infrastructure to IT and ITES.

#### 2. SIGNIFICANT ACCOUNTING POLICIES

##### 2.1 (i) Basis of Preparation of Consolidated Financial Statements

- a) The consolidated financial statements comprise of financial statements of Elnet Technologies Limited and its wholly owned subsidiary company, Elnet Software City Limited.
- b) These consolidated financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ( "Act" ) read with relevant rules issued thereunder, the provisions of the Act ( to the extent notified ) and guidelines issued by the Securities and Exchange Board of India ( SEBI ). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use

##### (ii) Principles of Consolidation

- a) The consolidated financial statements of the holding company and its subsidiary company have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra group transactions resulting in unrealized profits or losses in accordance with Accounting Standard ( AS 21)-“ Consolidated Financial Statements”
- b) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Holding Company's separate financial statements.

##### 2.2 Accounting Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent

liabilities on the date of the financial statements. Actual results could differ from those estimates. Any difference between the actual result and estimates are recognized in the period in which the results are known / materialize. Any revision to accounting estimates is recognized prospectively in current and future periods.

### **2.3 Revenue Recognition**

Compensation Income and Electricity Income are accounted on accrual basis as and when they are due on monthly basis.

Interest Income is accounted on accrual basis.

Income from Windmill is taken on a monthly basis upon credit given by Tamil Nadu Electricity Board for the units generated and supplied.

### **2.4 Fixed Assets and Intangibles**

Fixed Assets are stated at historical cost less accumulated depreciation. Historical Cost includes expenditure of capital nature and valued at cost of acquisition inclusive of freight, duties, taxes, incidental charges relating to the acquisition and the cost of installation / erection as applicable. In respect of construction of assets forming part of expansion project, directly attributable costs including financing costs relating to specific borrowings are also capitalized.

Cost of assets not put to use before the year end are shown under Capital Work – in – Progress.

Land Lease deposit has also been shown under “Lease Hold Land” and not amortized over the period of lease, as the deposit is refundable after the expiry of period of 90 years

Land Lease registration charges has been shown under “Lease Hold Land” and amortized over a period of ten years

Accounting Softwares are considered as Intangible assets.

### **2.5 Impairment of Assets**

An asset is treated as impaired when the carrying cost of asset exceed its recoverable value. An impairment loss is charged for when the asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### **2.6 Depreciation**

Depreciation on tangible assets are provided on Straight Line Method over the useful life of the assets.

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

---

- a) In respect of the following assets, the management, based on internal assessment and evaluation, estimates the useful life as follows:

Particulars of Assets	Useful Life ( in years )
Fitouts	4.00
Furniture & Fixture	4.00
Multi Level Car Park	13.50
Office Equipments	4.00
Vehicle – Car	4.00

- b) In respect of other assets, the useful life as provided under Schedule II of the Companies Act, 2013 is considered.
- c) Residual value for all assets is considered as Nil

### 2.7 Investments

Investments are held as long term and are stated at Cost less provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment.

### 2.8 Employee benefits

#### i) Post –Employment Benefit Plans

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognized in full in the Statement of Profit and Loss for the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested, and otherwise is amortized on straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognized in the balance sheet represents the present value of the defined obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.

#### ii) Short-term Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period when the employee renders the service.



## 2.9 Taxation

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT), if any, is paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

## 2.10 Earnings Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

---

### **2.11 Provisions and Contingent liabilities**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Where no reliable estimate can be made, disclosure is made as contingent liability. A disclosure for a contingent liability is also made if there is a possible or a present obligation that may, but probably will not result in outflow of resources. Contingent liabilities are disclosed in the additional information to financial statements.

### **2.12 Service Tax Input Credit**

Service Tax input credit is accounted for in the books in the period in which the underline service received is accounted and when there is no uncertainty in availing/utilizing the credits.

## **3. EXPLANATORY STATEMENT**

### **3.1 Retirement benefits to employees**

#### **(i) Defined Contribution Plan**

##### **Provident fund**

In respect of defined contributions schemes, contributions to Provident Fund and Family Pension they are charged to the statement of Profit and Loss as incurred.

#### **(ii) Defined benefit plan**

##### **Gratuity**

The Holding Company provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as of the balance sheet date, based upon which, the company contributes all the ascertained liabilities to the Elnet Technologies Ltd Employees' Gratuity Fund Trust (the "Trust"). Trustees administer contributions by means of a group gratuity policy with Life Insurance Corporation of India.

The following table sets out the status of the gratuity plan as required under AS 15:

**Change in benefit obligations (Fully Funded)**

Particulars	31.03.2017	31.03.2016
	₹ in Lakhs	₹ in Lakhs
Projected benefit obligation at beginning of the year	35.22	21.93
Service Cost	5.59	1.79
Interest cost	2.46	4.03
Actuarial (gain)/loss	1.93	7.47
Benefits paid	(10.00)	-
Projected benefit obligation, end of the year	31.34	35.22

**Change in plan assets:**

Particulars	31.03.2017	31.03.2016
	₹ in Lakhs	₹ in Lakhs
Plan assets at beginning of the year at fair value	27.50	24.67
Expected return on plan assets	1.84	2.13
Actuarial gain/(loss)	(1.84)	0.15
Employer's Contributions	0.97	0.55
Benefits paid	(10.00)	-
Plan assets at end of the year at fair value	18.47	27.50

**Reconciliation of present value of the obligation and the fair value of the plan assets**

Particulars	31.03.2017	31.03.2016
	₹ in Lakhs	₹ in Lakhs
Fair value of plan assets at the end of the year	18.47	27.50
Present value of the defined benefit obligations at the end of the period	(31.34)	(35.22)
( Liability ) / Asset	(12.87)	(7.72)

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

### Gratuity cost for the year ended March 31, 2017

Particulars	31.03.2017	31.03.2016
	₹ in Lakhs	₹ in Lakhs
Service cost	5.59	4.03
Interest cost	2.46	1.78
Expected return on plan assets	(1.84)	(2.12)
Actuarial (gain)/ loss	(0.09)	7.32
Net cost	6.12	11.01

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Investment with Insurer	100%	100%
Rate of return on plan assets	8.00%	8.50%

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

### Investment details of plan assets :

Deposited with Life Insurance Corporation of India (Group gratuity policy)

### Assumptions

Particulars	31.03.2017	31.03.2016
Discount rate	7%	8%
Salary escalation rate	12%	12%
Expected employers contribution next year (₹ in Lakhs)	1.25	1.25

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

### iii Leave encashment

The employees of the Holding Company are entitled to compensated absence. The employees can carry forward a portion of the unutilized accrued compensated absence and utilize it in future periods or receive cash compensation at retirement or termination of employment for the unutilized accrued compensated absence for a maximum of 180 days. The Company records an obligation for compensated absences in the period in which the employee renders the services that increase this entitlement. The Company measures the expected cost of compensated absence as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date based on actuarial valuations which is non funded.

Change in benefit obligations (Non Funded)	Leave Encashment	
	31.03.2017	31.03.2016
Particulars	₹ in Lakhs	₹ in Lakhs
Projected benefit obligation at beginning of the year	12.34	10.65
Service Cost	8.50	1.03
Interest cost	0.61	0.75
Actuarial (gain)/loss	1.09	2.59
Benefits paid	(9.40)	(2.68)
Projected benefit obligation, end of the year	13.14	12.34

Particulars	Leave Encashment	
	31.03.2017	31.03.2016
	₹ in Lakhs	₹ in Lakhs
Service cost	8.50	1.03
Interest cost	0.61	0.74
Actuarial (gain)/ loss	1.09	2.59
Net cost	10.20	4.36

### Assumptions

Particulars	31.03.2017	31.03.2016
Interest (Discount rate) Liability	7%	8%
Salary escalation rate (p.a.)	12%	12%
Resignation Rate (p.a.)	10%	10%

Accumulated leave, which is expected to be utilized within the next 12 months, treated as short-term employee benefits.

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

**3.2 Segment wise reporting as per standard AS 17 is not applicable to the Group as there is only one reportable segment i.e. compensation from tenants.**

### 3.3 Related Party Transactions

#### Related Party Disclosures

<b>I. Name of the related party</b>	<b>Electronics Corporation of Tamil Nadu Ltd (ELCOT)</b>
Description of the relationship between the parties	Joint venture partner holding 26% Equity capital of the company
Description of the nature of transaction	Lease of land presently occupied by the Company. 1. Land Lease Rentals. 2. Web hosting charges. 3. Sitting fees.
Volume of transactions	1. ₹1/- towards lease rent. (2016: ₹1/-) 2. Web hosting charges ₹ Nil/- (2016 : ₹ 8,550/-) 3. Sitting fees ₹ 70,000. (2016: ₹ 91,000/-)
Any other element of the transaction necessary for understanding the transaction	Nil
Due receivable at the balance sheet date	₹ 11,03,25,257 (2016: ₹ 11,03,25,257)
Amount written back during the year	Nil

<b>II Name of the related party</b>	<b>IG3 Infra Ltd (Formerly Indian Green Grid Group Ltd)</b>
Description of the relationship between the parties	A company in which Managing Director is also the Managing Director
Description of the nature of transaction	Investment in equity shares
Volume of transactions	Nil (2016: Nil )
Any other element of the transaction necessary for understanding the transaction	None
Amount outstanding at the balance sheet date	NIL
Amount written back during the year	NIL

<b>III Name of the related party</b>	<b>Stur Technologies Pvt Ltd., (Formerly New Era Technologies Pvt Ltd)</b>
Description of the relationship between the parties	Promoter
Description of the nature of transaction	(a) The unsecured loan from the company to the tune of ₹ 60,09,141/- continues to exist. (b) Interest of ₹1,46,503/- payable on FD made out of disputed dividend for the years 2000-01 and 2001-02

Volume of transactions	NIL
Any other element of the transaction necessary for understanding the transaction	None
Due payable at the balance sheet date	a) ₹ 60,09,141/- (2016: ₹ 60,09,141/-) b) ₹ 1,46,503/- (2016: ₹ 1,46,503/-)
Amount written back during the year	NIL

<b>IV Name of the related party</b>	<b>Shri. Shanmugham Thiagarajan (Formerly Shri Thiagaraj S Chettiar)</b>
Description of the relationship between the parties	Spouse of Managing Director
Description of the nature of transaction	Unsecured Loan of ₹ 3,66,24,742/- (2016: ₹ 3,66,24,742/-)
Volume of transactions	NIL
Any other element of the transaction necessary for understanding the transaction	None
Due payable at the balance sheet date	₹ 3,66,24,742/- (2016: ₹ 3,66,24,742/-)
Amount written back during the year	NIL

### KEY MANAGEMENT PERSONNEL

<b>V Name of the related party</b>	<b>Mrs. Unnamalai Thiagarajan</b>
Description of the relationship between the parties	Managing Director of the Company
Description of the nature of transaction	Remuneration
Volume of transactions	₹ 14,00,000/- (2016: ₹ 14,00,000)
Any other element of the transaction necessary for understanding the transaction	NIL
Amount outstanding at the balance sheet date	NIL
Amount written back during the year	NIL

### 3.4 DISCLOSURE ON SPECIFIED BANK NOTES (SBNs)

During the year, the holding company had specified bank notes or other denomination notes as defined in the MCA Notifications G.S.P. 308 (E) dated March 31, 2017 on the details of Specified Bank Notes (SBNs) held and transacted during the period from November 8, 2016 to December 30, 2016. The denomination wise SBNs and other notes as per the notification is given below:

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

Amount in ₹

Particulars	SBN's*	Other Denominations	Total
Balance as on November 08, 2016	22,500	13,143	35,643
(+) Permitted Receipts	-	205,850	205,850
(-) Permitted Payments	-	(206,264)	(206,264)
(-) Amount Deposited in Banks	(11,500)	-	(11,500)
(-)/(+) Amount exchanged in Banks	(11,000)	11,000	-
<b>Closing Cash in hand as on December 30, 2016</b>	-	23,729	23,729

\*For the purpose of this clause, the term “Specified Bank Notes” shall have the same meaning prescribed in the notification of the Government of India in the Ministry of Finance, Department of Economic Affairs number S.O.1407(E), dated November 8, 2016.

### 3.5 Earnings per share

Particulars	2016-17	2015-16
Net Profit available for Equity Shareholders (₹)	78,487,811	64,461,138
Weighted average number of Equity Shares Outstanding	4,000,007	4,000,007
Basic and diluted EPS (₹)	19.62	16.12

Basic & diluted earnings per share (EPS) computed in accordance with AS-20 - Earnings per Share

### 3.6 Deferred Tax Liability /Asset

As per the Accounting Standard “AS 22”, the Holding Company is required to make a provision for “deferred tax liability/ asset”. During the year an amount of ₹ 32.21 Lakhs has been recognized for deferred tax asset.

The balance deferred tax liability (net) outstanding as on 31.03.2017 is ₹62.63 Lakhs the details of which are as follows:



Particulars	As at 31.03.16	Tax effect for the year	As at 31.03.17
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
<b>Deferred Tax (Liability)</b>			
Fixed Assets	(108.59)	26.72	(81.87)
Sub Total	(108.59)	26.72	(81.87)
<b>Deferred Tax Asset</b>			
Amortization of Land registration Charges	13.74	(0.18)	13.56
Gratuity	-	3.51	3.51
Compensated Absences	-	2.16	2.16
Sub Total	13.74	5.49	19.23
Deferred Tax Asset / (Liability)	(94.84)	32.21	(62.63)

### 3.7 WRITE OFF OF EXPENSES IN ELNET SOFTWARE CITY

It is the intention of the directors to wind up the subsidiary company and as a result of which the subsidiary company has written off ₹391,588/- held under capital work in progress and ₹ 40,652/- held under Miscellaneous Expenditure.

### 3.8 ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE COMPANIES ACT, 2013:

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share of profit or (loss)	
	As % of consolidated net assets	Amount (₹ In Lakhs)	As % of consolidated profit or (loss)	Amount (₹ In Lakhs)
Elnet Technologies Limited	99.93%	7992.13	100.56%	789.3
Subsidiary : Elnet Software City Limited	0.07%	5.65	-0.56%	-4.42

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

### 4. ADDITIONAL INFORMATION TO FINANCIAL STATEMENTS

#### 4.1 Wind Mill

During the financial year, the Holding Company sold 12,82,363 units to Tamilnadu Electricity Board. (2016 : 7,45,176 units).

#### 4.2 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

- (a) The principal amount remaining unpaid as at 31 March 2017 in respect of enterprises covered under the "Micro, Small and Medium Enterprises Development Act, 2006" (MSMDA) is ₹ 24,559 (previous year: ₹ Nil). There was no interest amount payable based on the provisions under Section 16 of the MSMDA.
- (b) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act is ₹ Nil (previous year: ₹ Nil).
- (c) The list of undertakings covered under MSMDA was determined by the Company on the basis of information available with the Company and has been relied upon by the auditors.

#### 4.3 Details for Compensation income

	As at 31-03-2017	As at 31-03-2016
	₹	₹
Cost of Buildings leased	226,368,391	226,368,391
Depreciation provided during the year on Buildings leased	53,08,763	53,16,606
Accumulated depreciation on buildings leased including transition adjustment	69,240,003	63,931,240
Future Compensation receivable		
Not later than one year	13,43,90,633	17,69,27,024
Later than one year and not later than five years	13,06,44,650	17,58,35,882
Later than five years	8,86,542	4,58,492

#### 4.4 Current Liabilities

- (i) The Holding Company continues to hold the amount of ₹ 1,46,503/- (2016: ₹ 1,46,503/-) on account of Interest payable on FD made out of disputed dividend for the years 2000-01 and 2001-02.

- (ii) There are no amounts due to the Central Government on account of Investor Education and Protection Fund as on 31.03.2017. The balance amount lying under the Unpaid Dividend Account 2009–2010 declared on 21.07.2010 for the year 2009–10 falls due on 24.08.2017.

#### **4.5 Statement of Profit and Loss**

Electricity Expenses of the holding company have been reduced to the extent of ₹ 86,67,030/- (2016 : ₹ 50,46,017/-) for sale of electricity generated from windmill. There is no impact on the statement of Profit and Loss.

#### **4.6 Estimated amount of liability on capital contracts as on 31.03.2017 not provided for is ₹ Nil . (Previous year ₹ Nil ).**

#### **4.7 Contingent Liabilities in respect of:**

##### **Claims against the Holding Company not acknowledged as debt**

##### **(i) Income Tax demand**

There is a dispute with regard to the treatment of income of the Holding Company by the Income Tax Department as “Income from House Property”, whereas in the opinion of the Company, the income should be treated as “Income from Business”, which has been confirmed by the Income Tax Appellate Tribunal.

In respect of Assessment Years 1996-97, 1998-99, 2000-01 & 2001-02, the Madras High Court has decided the case in favour of the Company. The Department has filed a special leave petition with the Supreme Court. In the event the Supreme Court reverses the order of the High Court of Madras, there will be a contingent liability of ₹ 100.58 Lakhs.

In respect of Assessment Years 2003-04, the Income Tax Department had preferred an appeal before the High Court of Madras against the orders issued by the Income Tax Appellate Tribunal which was passed in favour of the company. In the event there is a reversal of the order, there will be a contingent liability of ₹ 389.22 Lakhs.

In respect of Assessment Years 2007-08 and 2009-10, the case is pending with the Commissioner of Income Tax –Appeals. The contingent liability in this regard amounts to ₹ 11.78 Lakhs.

##### **(ii) Service Tax:**

The Holding Company had received show cause notice from the Office of the Commissioner of Service Tax on the applicability of service tax on Electricity charges reimbursed from the occupants including generation from Generator for the period

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

---

April 2006 – March 2012. As per legal opinion, the company has been advised that, it is not liable for service tax on this issue. The company had obtained an interim stay from the High Court of Madras against the show cause notice which was modified by the High Court. The holding company filed a fresh Writ Petition for stay and an order was received in September 2014 directing the company to represent before the Service tax department and the same has been complied. In view of this, there is a contingent liability of ₹ 282.64 Lakhs.

### (iii) Lease Rent :

In respect of claim made by ELCOT during the year 2009-10 for a sum of ₹ 9.56 crores towards difference in the computation of Lease Rent for the period from 14.02.1991 to 14.01.1999, the Company prima-facie has reasons that the claim is not tenable and no provision is considered necessary.

Previous year's figures have been re-grouped / re-classified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

As per our report attached

**Unnamalai Thiagarajan**  
Managing Director

**G. Chellakrishna**  
Director

**K.Padmanaban**  
Director

**For S.H.Bhandari & Co**  
Chartered Accountants

**T.K.Karthik**  
Chief Financial Officer

**S.Lakshmi Narasimhan**  
Company Secretary

**Sreedhar Sreekakulam**  
Partner

M.No: 026474 FRN: 000438S

Place : Chennai  
Date : 12.05.2017

<b>CONSOLIDATED CASH FLOW STATEMENT</b>		
<b>Particulars</b>	<b>Year ended 31<sup>st</sup> March 2017</b>	<b>Year ended 31<sup>st</sup> March 2016</b>
	<b>₹</b>	<b>₹</b>
<b>A. Cash flow from Operating Activities:</b>		
<b>Net Profit before tax and extraordinary items</b>	120,739,456	97,977,682
<b>Adjustments for:</b>		
(i) Depreciation	32,978,222	41,627,691
(ii) Provision for Compensated Absences	1,019,841	428,929
(iii) Provision for Gratuity	611,772	1,101,222
(iv) Capital Work in process & Miscellaneous Expenditure Written off	432,240	-
(v) Loss on sale of Fixed assets	48,852	683,548
	<b>155,830,383</b>	<b>141,819,072</b>
<b>Less :</b>		
Interest income on Deposits	(22,732,034)	(20,502,599)
<b>Operating Profit Before Working Capital Changes</b>	<b>133,098,349</b>	<b>121,316,473</b>
<b>Adjustments for :</b>		
(Increase) / Decrease in Trade & Other Receivables	73,184,486	(58,506,788)
Increase / (Decrease) in Trade Payables & Other Liabilities	(6,930,820)	4,528,670
<b>Cash Generated from operations</b>	<b>199,352,015</b>	<b>67,338,355</b>
Income tax Net of IT Refund	(41,506,502)	(41,365,796)
<b>Net Cash flow from Operating activities (A)</b>	<b>157,845,513</b>	<b>25,972,559</b>
<b>B. Cash flow from Investing Activities</b>		
Purchase of Fixed Assets	(7,308,959)	(25,024,109)
Proceeds from Sale of Fixed Assets / Insurance Claim Received	739,685	415,022
Capital Work in Progress / Miscellaneous Expenses	-	(51,906)
Interest Received on Fixed Deposits	21,564,323	23,311,547
Long Term Investments in Mutual Fund	-	(40,000,000)
(Increase) / Decrease in Long Term Fixed Deposits with Bank	(165,500,000)	13,000,000
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(150,504,951)</b>	<b>(28,297,540)</b>

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

Particulars	Year ended 31 <sup>st</sup> March 2017	Year ended 31 <sup>st</sup> March 2016
	₹	₹
<b>C. Cash flow from financing activities</b>		
Increase / ( Decrease ) in Compensation Deposits	1,923,440	8,816,550
Dividend Paid ( Including Dividend Tax)	(8,184,507)	(6,976,244)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(6,261,067)</b>	<b>1,840,306</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>1,079,495</b>	<b>(484,675)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	1,431,023	1,915,698
<b>Cash and cash equivalents at the end of the year</b>	<b>2,510,518</b>	<b>1,431,023</b>

### Cash and cash equivalents at the end of the year includes :

(i) Cash in Hand	12,191	22,569
(ii) Balance in Current Account with Bank	2,498,327	1,408,454
	<b>2,510,518</b>	<b>1,431,023</b>

For and on behalf of the Board of Directors

**Unnamalai Thiagarajan**  
Managing Director

**G. Chellakrishna**  
Director

**K.Padmanaban**  
Director

**T.K.Karthik**  
Chief Financial Officer

**S.Lakshmi Narasimhan**  
Company Secretary

Place : Chennai  
Date : 12.05.2017

As per our report attached

**For S.H.Bhandari & Co**  
Chartered Accountants

**Sreedhar Sreekakulam**  
Partner

M.No: 026474 FRN: 000438S

## **ELNET SOFTWARE CITY LIMITED**

### **DIRECTORS' REPORT**

To the Shareholders

Your Directors have pleasure in presenting the Annual Report and the Audited Accounts of the Company for the year ended 31<sup>st</sup> March 2017.

### **OPERATIONS**

The Company is yet to commence its operation

### **FIXED DEPOSITISTS**

The Company has not invited and accepted Fixed Deposits from the public.

### **DIRECTORS**

Thiru. C. Ramachandran, I.A.S. (Retd.) and Thiru H. Karthik Seshadri retire by rotation and are eligible for reappointment.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Sec. 134 clause (C) of sub-section (3) of the Companies Act, 2013, the Directors confirm:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors have prepared the annual accounts on a going concern basis; and
- (e) the directors, in the case of a listed company, have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

## **TWENTY SIXTH ANNUAL REPORT 2016 - 17**

---

### **AUDITORS**

M/s. Ramamoorthy N & Associates, Chartered Accountant, the Statutory Auditor of the Company retires at the conclusion of the Annual General Meeting and has expressed his willingness to continue as Auditor of the Company for the next financial year. Your Directors recommend his reappointment at the ensuing AGM for your approval.

### **PARTICULARS OF EMPLOYEES**

The Company has not made any recruitment of staff during the year.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO**

As the Company is not an industrial undertaking, particulars with regard to conservation of energy and technology absorption required to be given under these heads in accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are not applicable.

**EARNINGS IN FOREIGN EXCHANGE : NIL**

**EXPENSES INCURRED IN FOREIGN CURRENCY DURING THE YEAR : NIL**

### **ACKNOWLEDGEMENT**

Your Directors wish to express their sincere thanks to the Bankers for their support and co-operation extended to the Company

For and on behalf of the Board of Directors of,  
ELNET SOFTWARE CITY LIMITED

Place : Chennai

**Unnamalai Thiagarajan**

**C. Ramachandran**

Date : 03.05.2017

Director

Director



---

**INDEPENDENT AUDITORS REPORT ON STANDALONE FINANCIAL STATEMENTS  
UNDER THE COMPANIES ACT, 2013**

**TO THE MEMBERS OF M/S. ELNET SOFTWARE CITY LIMITED**

**Report on the Financial Statements**

We have audited the accompanying standalone financial statements of M/s. Elnet Software City Limited ("the Company), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

---

and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017,
- b) In the case of the Statement of Profit & Loss, the loss for the year ended on that date,
- c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

### **Emphasis of Matter**

We draw attention to Note 4 read with Note 14 of the financial statements which indicates that the Company has written off its entire Capital Work-in-progress as at the balance sheet date. This indicates the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Our opinion is not modified in respect of these matters.

### **Report on other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government in terms of Sub-Section 11 of Section 143 of the Companies Act, 2013, we enclose in the Annexure a statement on the matter specified in paragraphs 3 and 4 of the said Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit & Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act.

- f) We have reviewed the requirements of Internal Financial Control over financial reporting as applicable.
- g) With respect to the other matters included in the Auditor's Report and to the best of our information and according to the explanations given to us:
  - (i) The Company does not have any pending litigations which would impact its financial position;
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - (iii) There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.
  - (iv) The Company has provided requisite disclosures in the standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 and these are in accordance with the books of accounts maintained by the Company. (Refer Note 13 to the standalone financial statements).

Place : Chennai  
Date : May 3, 2017

**For Ramamoorthy N & Associates**  
Chartered Accountants  
FRN 015905S

**Ramamoorthy N**  
Proprietor  
M. No. 227125

**Annexure to the independent Auditors' Report to the Members of Elnet Software City Limited for the year ended March 31, 2017**

**(Referred to in our report of even date)**

- (i) The Company has no fixed assets. Therefore, the provisions of Clause 3(i) of the Order are not applicable.
- (ii) The Company has no inventories. Therefore, the provisions of Clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) The provisions of Section 185 and 186 of the Act are not applicable to the Company during the year under review. Hence, the provisions of Clause 3(iv) of the Order are not applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits. Hence the question of complying with the directives issued by the Reserve Bank of India and the provisions of Sections 73 to

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

---

76 or any other relevant provisions of the Companies Act, 2013 and the Rules framed thereunder, are not applicable to the Company. The Company has not received any order from Company Law Board or National Company Law Tribunal or Reserve Bank of India or any other court or any other tribunal during the year under review.

- (vi) According to information and explanations given to me, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013.
- (vii) The Company is yet to commence its operations and has no employees. Hence, the question of paying any kind of statutory dues does not arise.
- (viii) According to information and explanations given to us, the Company did not have any dues to financial institution, bank, Government or dues to debenture holders during the year. Hence the question of default in repayment of dues does not arise.
- (ix) The Company has not raised money either by way of initial public offer or further public offer and has not availed any term loan during the year ended March 31, 2017. Hence the provisions of Clause 3(ix) of the Order are not applicable.
- (x) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.
- (xi) The Company has not paid or provided for any managerial remuneration. Therefore, the provisions of Clause 3(xi) of the Order are not applicable.
- (xii) The Company is not a Nidhi Company. Therefore, the provisions of Clause 3(xii) of the Order are not applicable.
- (xiii) The Company has not entered into any related party transactions during the year. Therefore, the provisions of Clause 3(xiii) of the Order are not applicable.
- (xiv) The Company has not raised money either through preferential allotment or private placement or fully or partly convertible debentures during the year under review. Therefore, the provisions of Clause 3 (xiv) of the Order are not applicable.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with him. Hence, the provisions of Clause 3(xv) of the Order are not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

Place : Chennai  
Date : May 3, 2017

For **Ramamoorthy N & Associates**  
Chartered Accountants  
FRN: 015905S

**Ramamoorthy N**  
Proprietor  
M. No. 227125

<b>BALANCE SHEET</b>			
<b>Particulars</b>	<b>Note No</b>	<b>As at 31<sup>st</sup> March 2017</b>	<b>As at 31<sup>st</sup> March 2016</b>
		<b>₹</b>	<b>₹</b>
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share capital	1	1,000,000	1,000,000
Reserves and Surplus	2	(441,981)	-
<b>Current Liabilities</b>			
Trade Payables	3	7,500	-
<b>Total</b>		<b>565,519</b>	<b>1,000,000</b>
<b>II. Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
Capital work-in-progress	4	-	391,588
Other non-current assets	5	-	40,652
<b>Current assets</b>			
Short-term loans and advances	6	22,900	22,900
Cash and cash equivalents	7	542,619	544,860
<b>Total</b>		<b>565,519</b>	<b>1,000,000</b>

Notes 1 to 16 form an integral part of these financial statements

This is the balance sheet referred to in our report of even date

For **Ramamoorthy N & Associates**  
Chartered Accountants  
FRN: 015905S

For and on behalf of the Board of Directors  
**Elnet Software City Limited**

**Ramamoorthy N**  
Proprietor  
M. No. 227125

**Unnamalai Thiagarajan**  
Director  
DIN: 00203154

**C. Ramachandran**  
Director  
DIN: 00050893

Place : Chennai  
Date : May 3, 2017

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017			
Particulars	Note No	For the year ended 31 <sup>st</sup> March 2017	For the year ended 31 <sup>st</sup> March 2016
		₹	₹
<b>Revenue</b>			
Revenue from operations		-	-
<b>Total revenue</b>		-	-
<b>Expenses</b>			
Other expenses	8	441,981	-
<b>Total expenses</b>		<b>441,981</b>	-
<b>Profit/(Loss) before tax</b>		<b>(441,981)</b>	-
<b>Tax expense</b>			
Current tax		-	-
Deferred tax		-	-
<b>Profit/(Loss) for the year</b>		<b>(441,981)</b>	-
<b>Earnings per share</b>			
Basic (₹)		(4.42)	-
Weighted average number of equity shares (Nos.)		100,000	100,000
Par value of equity shares (₹)		10	10

Notes 1 to 16 form an integral part of these financial statements

This is the statement of profit and loss referred to in our report of even date

For **Ramamoorthy N & Associates**

Chartered Accountants

FRN: 015905S

For and on behalf of the Board of Directors

**Elnet Software City Limited**

**Ramamoorthy N**

Proprietor

M. No. 227125

**Unnamalai Thiagarajan**

Director

DIN: 00203154

**C. Ramachandran**

Director

DIN: 00050893

Place : Chennai

Date : May 3, 2017

## NOTES TO THE BALANCE SHEET AS AT MARCH 31, 2017

Sl.No.	Particulars	As at March 31, 2017		As at March 31, 2016	
		Number	In ₹	Number	In ₹
1	<b>Share capital</b>				
	<b>Authorized share capital</b>				
	Equity shares of ₹10 each	100,000	1,000,000	100,000	1,000,000
	<b>Issued, subscribed and fully paid up</b>				
	Equity shares of ₹10 each	100,000	1,000,000	100,000	1,000,000
a)	<b>Reconciliation of share capital (Equity)</b>	<b>Number</b>	<b>In ₹</b>	<b>Number</b>	<b>In ₹</b>
	<b>Balance at the beginning of the period</b>	<b>100,000</b>	<b>1,000,000</b>	<b>100,000</b>	<b>1,000,000</b>
	Add : Issued during the period	-	-	-	-
	<b>Balance at the end of the period</b>	<b>100,000</b>	<b>1,000,000</b>	<b>100,000</b>	<b>1,000,000</b>
b)	<b>Shareholders holding more than 5% of the shares</b>	<b>Number</b>	<b>In %</b>	<b>Number</b>	<b>In %</b>
	Equity shares of ₹10 each				
	Elnet Technologies Limited	100,000	100.00%	100,000	100.00%
	( including 6 shares held through nominees )				
c)	<b>Details of shares held by Holding Company</b>	<b>Number</b>	<b>In %</b>	<b>Number</b>	<b>In %</b>
	Equity shares of ₹10 each				
	Elnet Technologies Limited	100,000	100.00%	100,000	100.00%
	( including 6 shares held through nominees )				
d)	<b>Rights, preferences, restrictions</b>				
	The Company has one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets after distribution of all preferential amounts, in proportion to their shareholding.				

		As at 31 <sup>st</sup> March, 2017 ₹	As at 31 <sup>st</sup> March, 2016 ₹
2	<b>Reserves and Surplus</b>		
	<b>Surplus/(Deficit) in the Statement of profit and loss</b>		
	Opening balance	-	-
	Add: Profit/(Loss) for the year	(441,981)	-
	Balance as at the end of the year	(441,981)	-
3	<b>Trade Payables</b>		
	Due to Micro & Small Enterprises	-	-
	Due to Others	7,500	-
		7,500	-
4	<b>Non-current assets</b>		
	Capital work-in-progress (Refer Note 14)	-	391,588
		-	391,588

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

		As at 31 <sup>st</sup> March, 2017 ₹	As at 31 <sup>st</sup> March, 2016 ₹
<b>5</b>	<b>Other non-current assets</b>		
	Miscellaneous Expenditure to the extent not written off		
	Opening balance	40,652	40,652
	Less: Amount written off during the year	40,652	-
	<b>Closing balance</b>	<b>-</b>	<b>40,652</b>
<b>6</b>	<b>Short-term loans and advances</b>		
	Other advances	22,900	22,900
		22,900	22,900
<b>7</b>	<b>Cash and cash equivalents</b>		
	Cash in hand	-	-
	Balances with banks in current account	542,619	544,860
		542,619	544,860

		Year ended 31 <sup>st</sup> March, 2017 ₹	Year ended 31 <sup>st</sup> March, 2016 ₹
<b>8</b>	<b>Other expenses</b>		
	Bank Charges	804	-
	Professional fees	1,437	-
	Payment to Auditors - Statutory Audit Fees	7,500	-
	Miscellaneous Expenditure written off	40,652	-
	Capital work-in-progress written off (Refer Note 14)	391,588	-
		441,981	-



## **Summary of significant accounting policies and other explanatory information**

### **9 Background**

M/s. Elnet Software City Limited was incorporated in March 2005 as a Public Limited Company having its Registered Office in IT Corridor, Taramani, Chennai. The Company is a wholly-owned subsidiary of M/s. Elnet Technologies Limited.

### **10 SIGNIFICANT ACCOUNTING POLICIES**

#### **10.1 Basis of preparation of Financial Statements**

It is the intention of the directors to wind up the company and as a result the financial statements have not been prepared on a going concern basis. The financial statements are prepared under the historic cost convention and on accrual basis of accounting in accordance with generally accepted accounting principles ("GAAP") applicable in India. GAAP comprises mandatory accounting standards specified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and the pronouncements of the Institute of Chartered Accountants of India.

#### **10.2 Use of Estimates**

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period, reported balances of assets and liabilities, and disclosure of contingent assets and liabilities as at the date of the financial statements. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods. Further the classification of assets and liabilities into current and non-current is based on the estimation of the operating cycle of the Company.

#### **10.3 Revenue Recognition**

The Company is yet to commence its operations.

#### **10.4 Employee Benefits**

The Company has no employees during the period under review.

#### **10.5 Provisions, Contingent Liabilities and Contingent Assets**

The Company creates a provision when there is present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

---

made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognized nor disclosed in the financial statements.

### 10.6 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

### 11 Micro, Small and Medium Enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006, ('MSMED') which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. Based on the information available with the Company, there are no dues to micro, small and medium enterprises who have registered with the competent authorities.

### 12 RELATED PARTIES

a) Names of related parties

Relationship	Name
Holding Company	Elnet Technologies Limited

b) There were no transactions with related parties during the current and previous year.

### 13 DETAILS OF SPECIFIED BANK NOTES (SBN) HELD AND TRANSACTED DURING THE PERIOD 08/11/2016 TO 30/12/2016

Particulars	SBNs	Other denomination notes	Total
<b>Closing cash in hand as on 08.11.2016</b>	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
<b>Closing cash in hand as on 30.12.2016</b>	-	-	-

**14 Write off of Capital Work-in-Progress and Miscellaneous Expenditure**

In line with basis of preparation of financial statements on realisable basis and not as a going concern, the company has written off ₹ 391,588/- held under Capital Work in Progress and ₹ 40,652/- held under Miscellaneous Expenditure.

**15 Previous year comparatives**

Previous year figures have been regrouped wherever necessary.

- 16 All the figures in the financial statements are presented in Indian Rupees except share data and as otherwise stated.

This is the summary of significant policies and other explanatory information referred to in our report of even date.

For **Ramamoorthy N & Associates**  
Chartered Accountants  
FRN 015905S

For on and behalf of the Board of Directors  
**Elnet Software City Limited**

**Ramamoorthy N**  
Proprietor  
Membership No. 227125

**Unnamalai Thiagarajan**  
Director  
DIN: 00203154

**C. Ramachandran**  
Director  
DIN: 00050893

Place : Chennai  
Date : May 3, 2017

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

ELNET SOFTWARE CITY LIMITED		
Cash Flow Statement For The Year Ended March 31, 2017		
Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
	₹	₹
<b>A) CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Loss before tax	(441,981)	-
Adjustments for:		
Miscellaneous expenditure written off	432,240	-
<b>Operating Profit before Working Capital Changes</b>	(9,741)	-
Adjustments for:		
Decrease/(Increase) in Current & Non current Assets	-	(22,900)
Increase/(Decrease) in Trade Payables	7,500	(7,500)
<b>Cash generated from operations</b>	<b>(2,241)</b>	<b>(30,400)</b>
Income tax paid	-	-
<b>Net Cash flow from Operating activities (A)</b>	<b>(2,241)</b>	<b>(30,400)</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Capital work-in-progress	-	(51,906)
<b>Net Cash flow from Investing activities (B)</b>	<b>-</b>	<b>(51,906)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Net Cash used in financing activities	-	-
<b>Net increase/(decrease) in Cash &amp; Cash Equivalents (A) + (B) + (C)</b>	<b>(2,241)</b>	<b>(82,306)</b>
Cash and Cash equivalents at the beginning of the year	544,860	627,166
<b>Cash and Cash equivalents at the end of the year</b>	<b>542,619</b>	<b>544,860</b>
<b>Closing cash and cash equivalents</b>		
Cash in hand	-	-
Balances with banks in current account	542,619	544,860
<b>Total</b>	<b>542,619</b>	<b>544,860</b>

Notes 1 to 16 form an integral part of these financial statements

This is the cash flow statement referred to in our report of even date

For **Ramamoorthy N & Associates**

Chartered Accountants

FRN: 015905S

**Ramamoorthy N**

Proprietor

Membership No. 227125

Place : Chennai

Date : May 3, 2017

For and on behalf of the Board of Directors

**Elnet Software City Limited**

**Unnamalai Thiagarajan**

Director

DIN: 00203154

**C. Ramachandran**

Director

DIN: 00050893

**FORM NO. MGT - 11****PROXY FORM**

(Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

**ELNET TECHNOLOGIES LIMITED**

Regd. Office : TS 140, Block 2 & 9, Rajiv Gandhi Salai, Taramani, Chennai 600 113

CIN : L72300TN1990PLC019459

Name of the member (s) :

Registered address :

E-mail ID :

Folio No./Client ID :

I/We, being the member(s) of \_\_\_\_\_ shares of the above named company, hereby appoint

1) Name :  
Address :  
E-mail ID :  
Signature \_\_\_\_\_ or failing him/her

2) Name :  
Address :  
E-mail ID :  
Signature \_\_\_\_\_ or failing him/her

3) Name :  
Address :  
E-mail ID :  
Signature \_\_\_\_\_ or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual General Meeting of the Company to be held on the Thursday, the 6th day of July, 2017 at 11.00 AM at New Woodlands Hotel Pvt. Ltd., No.72-75, Dr.Radhakrishnan Salai, Mylapore, Chennai - 600 004 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars
1	Adoption of Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended 31st March 2017 together with the Report of the Board of Directors and Auditors thereon.
2	Declaration of Dividend on the equity shares
3	Appointment of a Director in place of Thiru. C. Ramachandran Retd. IAS, who retires by rotation and being eligible, offers himself for re-appointment.
4	Appointment of M/s. MZSK & Associates, Chartered Accountants, as the Statutory Auditors of the Company in place of retiring auditors M/s S.H. Bhandari & Co. and to fix their remuneration
5	Appointment of Dr. Rajendra Kumar, IAS, as Chairman - Director
6	Appointment of Thiru B. Evanesan, as Director

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017

Signature of Shareholder(s)

Signature of Proxy holder(s)

Notes: 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Meeting

2) For the resolutions, Explanatory Statement and Notes, please refer to the Notice of the Twenty Sixth Annual General Meeting

Affix  
₹ 1/-  
Revenue  
Stamp



---

**ELNET TECHNOLOGIES LIMITED**

*Regd. Office : TS 140, Block 2 & 9, Rajiv Gandhi Salai, Taramani, Chennai 600 113*

**ATTENDANCE SLIP**

26th Annual General Meeting 6th July, 2017

Regd. Folio No. .... (or)

\*Client ID No. .... DP ID No. ....

Name and Address of Shareholders(s) :

Proxy's Name:

I certify that I am a registered shareholder/proxy for the registered shareholder of the company. I hereby record my presence at the 26th Annual General Meeting of the Company held at New Woodlands Hotel Pvt. Ltd. No.72-75, Dr.RadhakrishnanSalai, Mylapore, Chennai 600 004 on Thursday, the 6th July, 2017 at 11.00 a.m.

Signature of Member / Proxy

*\*Those who hold shares in demat form to quote their Client ID No. and Depository Participant (DP) ID No.*





Dear Shareholder,

As part of the Green Initiative in Corporate Governance, the Ministry of Corporate Affairs (MCA), Government of India, through its Circular Nos. 17/2011 and 18/2011, dated April 21 and 29, 2011 respectively, has allowed companies to send official documents to their shareholders electronically.

Recognizing the spirit of the circular issued by MCA, we propose to send documents like the Notice convening the general meetings, Financial Statements, Directors' Report, Auditors' Report etc. for the year ended March 31, 2017, in electronic form, to the email address provided by you and made available to us by the Depositories.

Following the government directive, the full text of these reports will also be made available in easily navigable format on our website [www.elnettechnologies.com](http://www.elnettechnologies.com).

We request you to send the information as per the format attached to our email ID [elnet@md4.vsnl.net.in](mailto:elnet@md4.vsnl.net.in) and in case of physical form, please use the attached self addressed business reply envelope.

Regards,

Investor Relations Team

Elnet Technologies Limited, TS 140, Block 2&9 Rajiv Gandhi Salai,  
Taramani, Chennai – 600 113. Tamil Nadu.

## FORMAT

Name of the Shareholder :

Folio No :

DP ID :

CLIENT ID :

E Mail Id :

Address :

Bank Details :

Account Number :

Name of the bank :

Branch & Address :

IFS Code :

## TWENTY SIXTH ANNUAL REPORT 2016 - 17

ELNET TECHNOLOGIES LIMITED

Registered Office : TS 140, Block 2 & 9,

Rajiv Gandhi Salai, Taramani, Chennai 600 113

CIN : L72300TN1990PLC019459 email: [elnet@md4.vsnl.net.in](mailto:elnet@md4.vsnl.net.in)

website: [elnettechnologies.com](http://elnettechnologies.com)

### **Addendum to the Notice dated 12<sup>th</sup> May 2017 of the 26<sup>th</sup> AGM scheduled to be held on 06<sup>th</sup> July 2017**

This addendum notice is being issued in view of re-naming of the proposed Auditing firm *M/s. MZSK & Associates*, Chartered Accountants, Chennai, to *M/s. MSKA & Associates*, Chartered Accountants, Chennai. However, the ICAI Firm Registration Number continues to remain the same.

Accordingly, to give effect to the above, the resolutions circulated earlier vide notice dated 12<sup>th</sup> May 2017 is amended as follows:

#### **ORDINARY BUSINESS**

##### **4. To appoint Auditors and to fix their remuneration**

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

“RESOLVED THAT pursuant to the provision of sections 139,142 and other provisions Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force), and pursuant to the recommendations of the Board of Directors, *M/s. MSKA & Associates*, Chartered Accountants, (Formerly known as *M/s. MZSK & Associates*), Chennai, be and is here by appointed as Statutory Auditors of the Company at the 26<sup>th</sup> Annual General Meeting, to hold office for the period of Five years, till the conclusion of the 31<sup>st</sup> Annual General Meeting of the company on a remuneration of **Rs.4,00,000/-** plus service tax as applicable for the financial year 2017-18.

RESOLVED FURTHER THAT appointment of the statutory auditor shall be subject to the ratification at each annual general meeting held after forthcoming annual general meeting.”

Place: Chennai

Date : 23<sup>rd</sup> June 2017

**S. LAKSHMI NARASIMHAN**  
**COMPANY SECRETARY**

## ANNEXURE TO THE NOTICE



### EXPLANATORY STATEMENT (PURSUANT TO SECTION 102 OF COMPANIES ACT 2013)

The following Explanatory Statement sets out all the material facts relating to the Ordinary Business under Item No.4 of the Notice dated 12<sup>th</sup> May 2017 is amended as below:

#### **Item No. 4: Appointment of Auditors**

As more than 25% of the paid up capital is held by M/s Electronics Corporation of Tamil Nadu Limited, a Government of Tamil Nadu Undertaking, the appointment or reappointment at each Annual General Meeting of the Auditors of the Company shall be made by a Special Resolution as per Sec 139 and 142 of the Companies Act, 2013. *M/s. MSKA & Associates*, (Formerly *M/s. MZSK & Associates*), Chartered Accountants, is being proposed to be appointed as the Statutory Auditors for the period of Five years, till the conclusion of the 31<sup>st</sup> Annual General Meeting of the company.

None of the directors is interested or concerned in the above said resolution.

None of the key managerial persons of the company either directly or through their relatives are in any way concerned or interested whether financially or otherwise in this resolution.

Place: Chennai  
Date : 23<sup>rd</sup> June 2017

**S. LAKSHMI NARASIMHAN**  
**COMPANY SECRETARY**

## FORM NO. MGT – 11

### Proxy Form



(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014  
CIN : L72300TN1990PLC019459

Name of the Company : **M/S. ELNET TECHNOLOGIES LIMITED**  
Registered Office : TS 140, Block 2 & 9, Rajiv Gandhi Salai,  
Taramani, Chennai 600 113

Name of the member (s)	:	
Registered address	:	
E-mail ID	:	
Folio No./Client ID	:	

I/We, bring the member(s) of \_\_\_\_\_ shares of the above named company, hereby appoint

- 1) Name :  
Address :  
E-mail ID :  
Signature \_\_\_\_\_ or failing him/her
- 2) Name :  
Address :  
E-mail ID :  
Signature \_\_\_\_\_ or failing him/her
- 3) Name :  
Address :  
E-mail ID :  
Signature \_\_\_\_\_ or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26<sup>th</sup> Annual General Meeting of the Company to be held on the Thursday, the 6<sup>th</sup> day of July, 2017 at 11.00 AM at New Woodlands Hotel Pvt. Ltd., No.72-75, Dr.Radhakrishnan Salai, Mylapore, Chennai - 600 004 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars
1	Adoption of Audited Financial Statements of the Company for the Financial Year ended 31 <sup>st</sup> March 2017 together with the Report of the Board of Directors and Auditors thereon.
2	Declaration of Dividend on the equity shares
3	Appointment of a Director in place of Thiru. C. Ramachandran Retd. IAS, who retires by rotation and being eligible, offers himself for re-appointment.
4	Appointment of <i>M/s. MSKA &amp; Associates, Chartered Accountants</i> , (Formerly known as <i>M/s. MZSK &amp; Associates</i> ), Chartered Accountants, as the Statutory Auditors of the Company in place of retiring auditors M/s S.H. Bhandari & Co. and to fix their remuneration
5	Appointment of Dr. Rajendra Kumar, IAS, as Chairman - director
6	Appointment of Thiru B. Evanesan, as director

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017

Signature of Shareholder(s)  
Signature of Proxy holder(s)  
Notes:

Affix Revenue Stamp

- 1) This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.
- 2) For the resolutions, Explanatory Statement and Notes, please refer to the Notice of the Twenty Fourth Annual General Meeting.