

15<sup>th</sup> July, 2019

**BSE Limited**

Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400001.

**Security ID/ Scrip Code –ELNET/517477**

Dear Sir/Madam,

**Sub.: Notice of 28<sup>th</sup> Annual General Meeting of the Company**

**Ref.: Reg.30 of SEBI (LODR) Regulations, 2015**

This is to inform you that the 28<sup>th</sup> Annual General Meeting (AGM) of the Company is scheduled to be held on Friday, 9<sup>th</sup> August, 2019 at 11.00 A.M. at New Woodlands Hotel Pvt. Ltd. located at No.72-75, Dr. Radhakrishnan Salai, Mylapore, Chennai-600004.

The notice of 28<sup>th</sup> Annual General Meeting along with the attendance slip and proxy form is enclosed. The Annual Report along with the notice of AGM has been dispatched to all the eligible shareholders through e-mail and other permitted mode.

The Register of Members & Share Transfer books of the Company shall remain closed from Saturday, 3<sup>rd</sup> day of August, 2019 to Friday, 9<sup>th</sup> day of August, 2019 (both days inclusive) for the purpose of 28<sup>th</sup> Annual General Meeting of the Company and payment of Dividend for the financial year ended 31<sup>st</sup> March, 2019.

This is for your information and records. Kindly acknowledge the receipt of the same.

Thanking you,

Yours faithfully,

For **ELNET TECHNOLOGIES LIMITED**

**T. Joswa Johnson**  
**Company Secretary & Compliance Officer**

**Encl: a/a**

## **TWENTY EIGHTH ANNUAL REPORT 2018 - 19**

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### **NOTICE CONVENING THE TWENTY EIGHTH ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that the Twenty Eighth Annual General Meeting of Elnet Technologies Limited will be held on Friday, the 9th day of August, 2019 at 11.00 A.M at New Woodlands Hotel Pvt. Ltd, Located at No. 72-75 Dr. Radhakrishnan Road, Mylapore, Chennai-600004 to transact the following business:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements for the Financial Year ended 31st March, 2019 and the Reports of the Board of Directors and the Statutory Auditors thereon.
2. To declare a dividend of Rs. 1.50 per equity Share for the Financial Year ended 31st March, 2019.
3. To appoint a director in place of Thiru J. Ravi (DIN:00042953) who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a director in place of Thiru C. Ramachandran (DIN:00050893) who retires by rotation and being eligible offers himself for re-appointment.

#### **SPECIAL BUSINESS:**

##### **5. APPOINTMENT OF THIRU M. VIJAYAKUMAR IAS., (DIN:08128389), AS CHAIRMAN AND NON-EXECUTIVE 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 152, 160, 161 and other applicable provisions of the Companies Act, 2013 (“Act”) and the Rules made there under (including any statutory modification(s) or re-enactments there of for the time being in force) and pursuant to recommendation of the Nomination and Remuneration Committee and Articles of Association of the Company Thiru M. Vijayakumar IAS. (DIN: 08128389) who was appointed as Chairman Non-Executive Additional Director of the Company by the Board of Directors with effect from 7th Feb, 2019 and who holds office up to the date of this 28th Annual General Meeting, be and is hereby appointed as a Chairman and Non-Executive Director of the Company and he is not liable to retire by rotation in terms of Articles of Association of the Company.

**RESOLVED FURTHER THAT** any Directors of the Company or Mr. T. Joswa Johnson, Company Secretary be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution and for matters connected therewith or incidental thereto”.

**6. APPOINTMENT OF THIRU R. MADHAVAN., (DIN:02345801) AS NON-EXECUTIVE 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 152, 160, 161 and other applicable provisions of the Companies Act, 2013 (“Act”) and the Rules made there under (including any statutory modification(s) or re-enactments thereof for the time being in force), and pursuant to recommendation of the Nomination and Remuneration Committee and Articles of Association of the Company Thiru R. Madhavan (DIN: 02345801) who was appointed as Non-Executive Additional Director of the Company by the Board of Directors at its meeting held on 7th February, 2019 and who holds office up to the date of this 28th Annual General Meeting, be and is hereby appointed as a Non-Executive Director of the Company and liable to retire by rotation.

**RESOLVED FURTHER THAT** any Director of the Company or Mr. T. Joswa Johnson, Company Secretary be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution and for matters connected therewith or incidental thereto”.

**7. APPOINTMENT OF THIRU N. SRIVATHSA DESIKAN., (DIN:08205725) AS NON-EXECUTIVE 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 152, 160, 161 and other applicable provisions of the Companies Act, 2013 (“Act”) and the Rules made there under (including any statutory modification(s) or re-enactments thereof for the time being in force) and pursuant to recommendation of the Nomination and Remuneration Committee and Articles of Association of the Company Thiru N. Srivathsa Desikan (DIN: 08205725) who was appointed as Non Executive Additional Director of the Company by the Board of Directors at its meeting held on 7th Feb, 2019 and who holds office up to the date of this 28th Annual General Meeting, be and is hereby appointed as Non-Executive Director of the Company and liable to retire by rotation.

**RESOLVED FURTHER THAT** any Director of the Company and Mr. T. Joswa Johnson, Company Secretary be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution and for matters connected therewith or incidental thereto”.

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### 8. RE-APPOINTMENT OF THIRU G. CHELLAKRISHNA, (DIN:01036398) AS NON-EXECUTIVE INDEPENDENT DIRECTOR.

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to recommendation of the Nomination and Remuneration Committee, Thiru G. Chellakrishna (DIN: 01036398) being eligible for reappointment and having submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, be and is hereby re-appointed as an Independent Director of the Company to hold office for second term of five consecutive years w.e.f. 23rd April, 2019 and he is not liable to retire by rotation.”

**RESOLVED FURTHER THAT** any Director of the Company or Mr. T. Joswa Johnson, Company Secretary be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution and for matters connected therewith or incidental thereto”.

### 9. RE-APPOINTMENT OF THIRU R. GANAPATHI (DIN:00103623) AS NON-EXECUTIVE INDEPENDENT DIRECTOR.

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to recommendation of the Nomination and Remuneration Committee, Thiru R. Ganapathi (DIN: 00103623) being eligible for reappointment and having submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, be and is hereby re-appointed as an Independent Director of the Company to hold office for second term of five consecutive years w.e.f. 30th July, 2019 and he is not liable to retire by rotation.”

**RESOLVED FURTHER THAT** any Director of the Company or Mr. T. Joswa Johnson, Company Secretary be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution and for matters connected therewith or incidental thereto”.

**10. RE-APPOINTMENT OF THIRU H KARTHIK SESHADRI, (DIN: 00203319) AS NON-EXECUTIVE INDEPENDENT DIRECTOR.**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to recommendation of the Nomination and Remuneration Committee, Thiru H. Karthik Seshadri (DIN: 00203319) being eligible for reappointment and having submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, be and is hereby re-appointed as an Independent Director of the Company to hold office for second term of five consecutive years w.e.f. 30th July, 2019 and he is not liable to retire by rotation.”

**RESOLVED FURTHER THAT** any Director of the Company or Mr. T. Joswa Johnson, Company Secretary be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution and for matters connected therewith or incidental thereto”.

**11. RE-APPOINTMENT OF THIRU K KASIM IPS., (RETD.,)(DIN:02959356) AS NON-EXECUTIVE INDEPENDENT DIRECTOR.**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to recommendation of the Nomination and Remuneration Committee, Thiru K. Kasim IPS., (Retd) (DIN: 02959356) being eligible for reappointment

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and having submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act ,be and is hereby re-appointed as an Independent Director of the Company to hold office for second term of five consecutive years w.e.f. 30th July, 2019 and he is not liable to retire by rotation.”

**RESOLVED FURTHER THAT** any Directors of the Company or Mr. T. Joswa Johnson, Company Secretary be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution and for matters connected therewith or incidental thereto”.

### **12. RE-APPOINTMENT OF THIRU G. SENRAYAPERUMAL (DIN:01458026) AS NON-EXECUTIVE INDEPENDENT DIRECTOR.**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to recommendation of the Nomination and Remuneration Committee, Thiru G. Senrayaperumal (DIN: 01458026) being eligible for reappointment and having submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 be and is hereby re-appointed as an Independent Director of the Company to hold office for second term of five consecutive years w.e.f. 30th July, 2019 and he is not liable to retire by rotation.

**RESOLVED FURTHER THAT** pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force) and other applicable laws, if any, the continuation of appointment of Thiru G. Senrayaperumal (DIN: 01458026) as an Non-Executive Independent Director of the Company on attaining the age of 75 (seventy five) years during this second term of re-appointment, for remaining 3 years on the same terms and conditions of such re-appointment be and is hereby approved.

**RESOLVED FURTHER THAT** any Director of the Company or Mr. T. Joswa Johnson, Company Secretary be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution and for matters connected therewith or incidental thereto”.



**13. APPOINTMENT OF THIRU A.P RADHAKRISHNAN (DIN:03642690) AS NON-EXECUTIVE INDEPENDENT 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 Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to recommendation of the Nomination and Remuneration Committee, Thiru A.P Radhakrishnan (DIN: 03642690) being eligible for appointment and having submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for First term of five consecutive years w.e.f. 2nd March, 2019 and he is not liable to retire by rotation.

**RESOLVED FURTHER THAT** any Director of the Company and Mr. T. Joswa Johnson, Company Secretary be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution and for matters connected therewith or incidental thereto”.

By order of the Board of Directors  
For **Elnet Technologies Limited**

Place : Chennai  
Date : 27<sup>th</sup> May, 2019

**T. Joswa Johnson**  
Company Secretary

**Registered Office:**

Elnet Software City,  
TS 140, Block No.2 & 9,  
Rajiv Gandhi Salai, Taramani,  
Chennai - 600 113  
Phone: +91-44-2254 1793, Fax: +91-44-2254 1955  
e-mail: elnetcity@gmail.com  
Website: www.elnettechnologies.com  
CIN:L72300TN1990PLC019459

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### NOTES:

1. An explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to Special Business to be transacted at the 28th Annual General Meeting (the “AGM” or “Meeting”), is annexed hereto.
2. ***A MEMBER ENTITLED TO ATTEND AND VOTE AT THE 28th ANNUAL GENERAL MEETING (“AGM”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.***

The instrument appointing the proxy, in order to be effective, should be deposited, duly completed and signed, at the registered office of the Company not less than forty-eight hours before the commencement of the AGM. Proxies admitted on behalf of the Companies, Societies and Partnership firms etc. must be accompanied by appropriate resolution/authority as applicable, issued on behalf of the nominating organization.

3. Pursuant to Section 105 of the Companies Act, 2013 and Rule 19 of the Companies (Management & Administration) Rules, 2014, a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for anyother person or shareholder. The proxy holder shall prove his/her identity at the time of attending the AGM. When a member appointed a proxy and both the member and proxy attend the meeting, the appointment of proxy stands automatically revoked.
4. Corporate members are requested to send a duly certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013 authorizing their representative to attend and vote at the AGM.
5. A member would be entitled to inspect the proxies lodged during 24 hours before the time fixed for the commencement of AGM and until the conclusion of the AGM.
6. As an austerity measure, the members/proxies are requested to bring their copy of the annual report to the AGM along with duly filled attendance slips.
7. Pursuant to section 124 of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF). Accordingly, the Company would be transferring the seven years' unpaid/unclaimed Dividend with respect to the dividend declared in the Financial Year 2011-12 within 30 days from the cut-off date of 24th July, 2019. As per the provisions, the 3



months' prior intimation to the eligible shareholders via Newspapers advertisement and individual letters has given and the same has been updated in website of the Company [www.elnettechnologies.com](http://www.elnettechnologies.com). Such Members are requested to ensure their claim, before it is transferred to the said Fund.

As on March 31, 2019, following amount of dividends remained unclaimed

Financial year for which dividend was declared	Unpaid/ Unclaimed Dividend Amount As On 31.03.2019 (In `)	Date of Declaration of Dividend	7 Years from the date of transfer to Unpaid Dividend Account
2011-12	2,71,803.60	22.06.2012	24.07.2019
2012-13	2,33,930.20	20.06.2013	22.07.2020
2013-14	2,44,253.80	17.07.2014	20.08.2021
2014-15	2,27,531.00	08.07.2015	10.08.2022
2015-16	3,24,822.50	15.06.2016	18.07.2023
2016-17	2,75,895.40	06.07.2017	08.08.2024
2017-18	2,35,089.50	09.08.2018	07.09.2025
<b>TOTAL</b>	<b>18,13,326.00</b>		

8. The Register of Members and the Share Transfer books of the Company will remain closed from Saturday, the 3rd day of August, 2019 to Friday 9th the day of August, 2019 (both days inclusive) for determining the name of Members eligible for dividend on Equity shares, if declared at the Meeting.
9. Dividend on equity shares, if declared at the Meeting, will be credited/dispatched within 30 days to those members whose name appears in the Company Register of Members as on cut-off date Friday, 2nd day of August, 2019.
10. Members holding shares in electronic form are requested to intimate immediately, any change in their address or bank mandates to their Depository Participant(s) with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to Registrar and Share Transfer Agent, M/s. Cameo Corporate Services Ltd, located at "Subramanian Building" # 1, Club House Road, Chennai-600002.
11. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend electronically. The Company or its Registrar and Share Transfer Agent M/s. Cameo Corporate Services Ltd cannot act on any request received from such members. Members holding shares in physical form, dividend will be paid as per the existing updated records Company.

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12. Members are requested to contact the Company's Registrar & Share Transfer Agents, M/s. Cameo Corporate Services Ltd. for their queries/redressal of complaints, if any, or contact Mr. T. Joswa Johnson, Company Secretary & Compliance Officer at the Registered Office of the Company (Phone:044-22541793; Email: elnetcity@gmail.com)
13. Queries if any, on the accounts and operation of the Company, if any, may please be sent to the Registered Office of the Company located at Elnet Software City, TS 140, Block No.2 & 9, Rajiv Gandhi Salai, Taramani, Chennai - 600 113 (Marked to the attention of CFO) at least seven days prior to the date of AGM.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrars and Share Transfer Agents, M/s. Cameo Corporate Services Ltd.
15. In accordance with the provision of Section 108 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and amendments thereto and Regulation 44 of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 the Company is pleased to provide its members the facility to cast their vote by electronic means on all resolutions set forth in the Notice. The instructions for e-voting are given in Serial No. 21. The cut-off date for determining the eligibility to vote by electronic means or by ballot in the general meeting shall be Friday, 2nd day of August, 2019.
16. In view of Green Initiative measures, the Company is hereby requesting members who have not registered their email addresses so far, to register their email addresses for receiving all communication including annual report, notices, circulars etc. from the Company electronically.
17. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 and Register of Contracts or Arrangements in which directors are interested, maintained under Section 189 of the Companies Act, 2013 read with Rules issued there under shall be available for inspection by the members at the AGM.
18. A route map showing directions to reach the venue of the 28th Annual General Meeting is enclosed along with this notice.
19. Additional information pursuant to Regulation 36 of the Listing Regulation Regulations and Secretarial Standards in respect of the directors seeking appointment/re-appointment at the AGM, forms part of the Notice.

## **20. IMPORTANT SHAREHOLDERS COMMUNICATION:**

The Ministry of Corporate Affairs (“Ministry”), Government of India, has taken a “Green Initiative in Corporate Governance” by allowing paperless compliances by companies through electronic mode. As per the Circular No.17/2011, dated 21.04.2011 and Circular No.18/2011, dated 29.04.2011 issued by the Ministry of Corporate Affairs, Companies can now send various notices/documents (including notice calling Annual General Meeting, Audited Financial Statements, Boards Report, Auditors Report etc.) to the shareholders through electronic mode, to their registered email addresses. In case you are desirous of having the digital version of the Annual Report, you may write to us at [elnetcity@gmail.com](mailto:elnetcity@gmail.com) or to the registered Office of the Company. The Annual report of the Company can be accessed at Annual Report category in Investor section at website of the Company [www.elnettechnologies.com](http://www.elnettechnologies.com).

Electronic copy of 28th AGM Notice and Annual Report for the financial year 2018-19 inter alia indicating the process and manner of voting through electronic means along with Attendance Slip and Proxy Form is being sent to all the Members whose email ID's are registered with the Company's Registrar and Share Transfer Agents/Depository Participants(s) for communication purposes.

For members who have not registered their email address, physical copies of the Notice of the Meeting and Annual Report for the financial year 2018-19 of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the eligible members of the Company

## **21. E-Voting:**

**VOTING THROUGH ELECTRONIC MEANS:** The Company is pleased to provide members a facility to exercise their right to vote on the resolutions as set out in the Notice by ‘electronic means’ and all the businesses may be transacted through e-voting services provided by Central Depository Services (India) Limited.

The Company is providing facility for voting by electronic means in compliance with the provisions of Section 108 of the Companies Act, read with Rule 20 of the Companies (Management and Administration) Rule, 2014 and Regulation 44 of SEBI (Listing obligations and disclosure requirements) Regulations, 2015.

**The instructions for shareholders voting electronically (remote e-Voting) are as under:**

- (i) The voting period begins on Monday, 5th August, 2019 at 9.00 A.M. and ends on Thursday, 8th August, 2019 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as

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on the cut-off date Friday, 2nd August, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by shareholder, the shareholder can not to change it subsequently.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue. The facility for voting, through polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote may exercise their vote through polling paper in the Annual General Meeting.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders/Members.
- (v) Now Enter your User ID
  - 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.
- (vi) Next enter the Image Verification as displayed and Click on Login
- (vii) 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.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	<ul style="list-style-type: none"><li>Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field.</li><li>In case the sequence number is less than 8 digits enter the applicable number of 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>

<div>Dividend Bank Details</div> <div><b>OR</b></div> <div>Date of Birth (DOB)</div>	<div>Enter the Dividend Bank Details or Date of Birth in (dd/mm/yyyy) format as recorded in your demat account or in the company records in order to login.</div> <ul style="list-style-type: none"> <li>If both 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 (v)</li> </ul>
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- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant Company Name on which you choose to vote. i.e., ELNET TECHNOLOGIES LIMITED
- (xiii) 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.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote, 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.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print out of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xviii) If Demat account holder has forgotten the same password then enter the User ID

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and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xx) 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 Custodian/Corporate shareholder.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details they should create a compliance user 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.

(xxi) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date Friday, 2nd August, 2019 may follow the same instructions as mentioned above for e-Voting.

(xxii) 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).

22. 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 (record date) of Friday, 2nd August, 2019.
23. The Board of Directors has appointed M/s. BP & Associates, Practicing Company Secretaries, New No.74 (old No.62) Akshaya Flats, 3rd Floor, 12th Avenue, Ashok Nagar, Chennai- 83 as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.



24. After the conclusion of the Meeting, the Scrutinizer shall unblock the votes in the presence of at least 2 (two) witnesses who is not in the employment of the Company and make a Scrutinizer's Report on the votes cast in favour or against the resolutions.
25. The Results shall be declared by the Chairman or any person authorized by him in this regard on or before 11th August, 2019. The result 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 CDSL within two days of passing of the resolutions at the AGM of the Company and communicated to BSE Limited.

By order of the Board of Directors  
For **Elnet Technologies Limited**

Place : Chennai  
Date : 27<sup>th</sup> May, 2019

**T. Joswa Johnson**  
Company Secretary

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**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF  
THE COMPANIES ACT, 2013:**

Annexure to the Notice of 28th Annual General Meeting scheduled to be held on Friday, 9th day of August, 2019 at 11.00 A.M at New Woodlands Hotel Pvt. Ltd, located at No.72-75 Dr. Radhakrishnan Road, Mylapore, Chennai - 600004.

**Item No.5 & 7**

Pursuant to recommendation of Nomination and Remuneration Committee and the Articles of Association of the Company, the Board of Directors of the Company at its meeting held on 7th February, 2019 approved the change in Designation of Thiru M. Vijayakumar IAS., as Chairman and Non-Executive Additional Director and Thiru N. Srivathsa Desikan as Non-Executive Additional Director of the Company.

The afore said directors are eligible to hold the office up to the date of this 28th Annual General Meeting. An ordinary resolution seeking the approval of shareholders is being sought in this 28th Annual General Meeting.

None of the Directors, Key Managerial Personnel and / or their relatives are, in anyway, concerned or interested, financially or otherwise, in the proposed resolution except the appointee themselves.

**Item No.6**

Pursuant to recommendation of Nomination and Remuneration Committee and Articles of Association of the Company, the Board of Directors of the Company at its meeting held on 7th

## **TWENTY EIGHTH ANNUAL REPORT 2018 - 19**

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February, 2019 approved the appointment of Thiru R. Madhavan as Non-Executive Additional Director of the Company.

Thiru R. Madhavan is eligible to hold the office up to the date of this 28th Annual General Meeting. An ordinary resolution seeking the approval of shareholders is being sought in this 28th Annual General Meeting.

None of the Directors, Key Managerial Personnel and / or their relatives are, in anyway, concerned or interested, financially or otherwise, in the proposed resolution except the appointee himself.

### **Item No.8**

Thiru G. Chellakrishna was appointed as an Independent Director of the Company for the first term of five consecutive years as per provisions of Section 149, 150, 152 read with schedule-IV and Section 161(1) read with Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions, sections, rules of the Companies Act, 2013 and his term of appointment expired on 22nd April, 2019.

Thiru G. Chellakrishna had given consent for re-appointing him as an Independent Director for the second term of five consecutive years as per the Companies Act, 2013. Pursuant to the recommendation of Nomination and Remuneration committee, considering his active involvement in the Board and participation in the Audit Committee as a Chairman, helped the Company for efficient communication to the Board of Directors on decisions, the Board considered for reappointing him as Non-Executive & Independent Director for the second term of five consecutive years at the Board meeting held on 7th February, 2019 with effect from 23rd April, 2019. A special resolution for approval of shareholders for this appointment is being sought in this 28th Annual General Meeting.

None of the Directors, Key Managerial Personnel and / or their relatives are, in anyway, concerned or interested, financially or otherwise, in the proposed resolution except the appointee himself.

### **Item No.9 to 12**

Thiru R. Ganapathi, Thiru H. Karthik Seshadri, Thiru K. Kaism IPs (Retd) and Thiru G. Senrayaperumal were appointed as Independent Directors of the Company as per the provisions of Section 149, 150, 152 read with schedule-IV and Section 161(1) read with Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions, sections, rules of the Companies Act, 2013. Their term of appointment would expire on 29th July, 2019.

The aforesaid Directors had given the consent for re-appointing them as an Independent Director for the second term of five consecutive years as per the Companies Act, 2013. Pursuant to the recommendation of Nomination and Remuneration committee, considering their active involvement in the Board, the Board considered for reappointing them as Non-Executive & Independent Director at the Board meeting held on 27th May, 2019 with effect from 30th July, 2019.

Further, pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force) and other applicable laws, if any, the directors who attain the age of 75 years and continue their Directorship in the Company after 1st April, 2019, have to continue with the prior approval of shareholders by passing a special resolution. In compliance with this regulation, Thiru G. Senrayaperumal (DIN: 01458026) who attained age of 72 years as of now, will attain the age of 75 years during the second term of appointment under Companies Act, 2013.

Hence, a special resolution for the continuation as Non executive independent Director along with the other resolutions for aforesaid such appointment is being sought for prior approval of shareholders in this 28th Annual General Meeting.

None of the Directors, Key Managerial Personnel and / or their relatives are, in anyway, concerned or interested, financially or otherwise, in the proposed resolution except the appointee themselves.

#### **Item No.13**

Pursuant to the provisions of Section 149, 150, 152 read with schedule-IV and Section 161(1) read with Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions, sections, rules of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) and pursuant to the recommendation of Nomination and Remuneration committee, the Board of Directors vide circulation of Board Resolution, approved the appointment of Thiru A.P. Radhakrishnan (DIN: 03642690) as Non - Executive Independent Director on the Board of the Company to hold office for the first term of five consecutive years with effect from 2nd March, 2019. An ordinary resolution for the approval of shareholders is being sought in this 28th Annual General Meeting.

None of the Directors, Key Managerial Personnel and / or their relatives are, in anyway, concerned or interested, financially or otherwise, in the proposed resolution except the appointee himself.

## TWENTY EIGHTH ANNUAL REPORT 2018 - 19

### Details of Directors seeking Appointment/Re-appointment at the 28th Annual General Meeting pursuant to Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meeting.

Name of Director	Thiru M. Vijayakumar IAS.,	Thiru N. Srivathsa Desikan
Date of Birth & Age	07.10.1960 & 58	12.09.1989 & 29 years
Nationality	Indian	Indian
Qualification	IAS (Indian Administrative Service)	B.Com., MSW(HR), ACS
Experience and Expertise in specific functional areas	Corporate Management, Crisis Management, Conflict Resolution Management.	Professional and expertise in Corporate Compliances & Corporate Governance and Sustainability
Date of first appointment to the Board	25.05.2018	09.08.2018
Terms of Re- appointment	Appointment as Chairman and Non-Executive Director	Appointment as Non-Executive Director
Revised Remuneration sought to be paid	NIL	NIL
Remuneration last drawn for the FY 2018-19	Rs. 0.14 lacs sitting fees paid for the Meetings attended during the financial year 2018-19 in the Name of Representing entity (ELCOT). Other than sitting fees no remuneration was paid.	Rs. 0.63 lacs sitting fees paid for the Meetings attended during the financial year 2018-19 in the Name of Representing entity (ELCOT). Other than sitting fees no remuneration was paid.
Shareholding in this company	NIL	NIL
Relationship	Relationship with directors, Manager & KMP- NIL	Relationship with directors, Manager & KMP- NIL
No of Board Meetings held and attended during the year	2/6	5/5
Name(s) of other entities in which holding of directorship	Electronics Corporation of Tamilnadu limited Tidel Park Coimbatore Limited Chennai Smart City Limited Tamilnadu Arasu cable T.V. Corporation Public Limited Tamil Nadu Fibrenet Corporation Limited	Kody Teck Limited Intwel Technologies Limited A G T Electronics Limited Ravichandra Systems Limited
Chairpersonship/Membership in committees of other Entities	<b>Audit Committee</b> Tidel Park Coimbatore Limited <b>Stakeholder Relationship Committee</b> NIL	NIL

Name of Director	<b>Thiru C. Ramachandran IAS (Retd.)</b>	<b>Thiru J. Ravi</b>
Date of Birth & Age	15.05.1938 & 80 years	03.10.1954 & 63 years
Nationality	Indian	Indian
Qualification	B.Sc (Hons)., MA	B.Tech - Chemical Engineering
Experience and Expertise in specific functional areas	Thiru C. Ramachandran IAS (Retd.) was served for Government in various responsibilities, worked in public sector companies and retired as Principal Secretary, Industries Dept., He is specialised in the area of Corporate Management.	34 years of experience in International Trading
Date of first appointment to the Board	08.08.2003	08.08.2003
Terms of Re- appointment	Being longest in office, liable to retire by rotation and sought himself of reappointment.	Being longest in office liable to retire by rotation and sought himself of reappointment.
Revised Remuneration sought to be paid	NIL	NIL
Remuneration last drawn for the FY 2018-19	Rs. 1.82 lacs sitting fees paid for the Meetings attended during the financial year 2018-19. Other than sitting fees no remuneration was paid.	Rs. 0.84 lacs sitting fees paid for the Meetings attended during the financial year 2018-19. Other than sitting fees no remuneration was paid.
Shareholding in this company	NIL	NIL
Relationship	Relationship with directors, Manager & KMP- NIL	Relationship with directors, Manager & KMP- NIL
No of Board Meetings held and attended during the year	6/6	2/6
Name(s) of other entities in which holding of directorship	Tulsyanec limited Dewa properties limited IG3 infra limited The great Indian linen and textile infrastructure company private limited Grand luxe hotels limited Appu hotels limited	NIL
Chairpersonship/Membership in committees of other Entities	<b>Audit Committee</b> IG3 Infra Limited Appu Hotels Limited Tulsyan Nec Limited <b>Stakeholder Relationship Committee</b> Tulsyan Nec Limited	NIL

## TWENTY EIGHTH ANNUAL REPORT 2018 - 19

Name of Director	<b>Thiru G. Chellakrishna</b>	<b>Thiru K. Kasim IPS (Retd.)</b>
Date of Birth & Age	15-08-1979 & 39 years	11-10-1938 & 80 years
Nationality	Indian	Indian
Qualification	FCA	Honours Graduate and IPS Retd.
Experience and Expertise in specific functional areas	Practicing Chartered Accountant for 19 years.	Thiru K. Kasim IPS (Retd.) has vast experience in teaching profession. Eminent writer in the field of political, Religious, etc and Expert in Corporate Management
Date of first appointment to the Board	22-04-2014	27-01-2010
Terms of Re- appointment	Reappointment as an Independent Director for the second term as per the provision of Companies Act, 2013.	Reappointment as an Independent Director for the second term as per the provision of Companies Act, 2013.
Revised Remuneration sought to be paid	NIL	NIL
Remuneration last drawn for the FY 2018-19	Rs. 0.70 lacs sitting fees paid for the Meetings attended during the financial year 2018-19. Other than sitting fees no remuneration was paid.	Rs. 0.77 lacs sitting fees paid for the Meetings attended during the financial year 2018-19. Other than sitting fees no remuneration was paid.
Shareholding in this company	NIL	NIL
Relationship	Relationship with directors, Manager & KMP- NIL	Relationship with directors, Manager & KMP- NIL
No of Board Meetings held and attended during the year	5/6	6/6
Name(s) of other entities in which holding of directorship	Manali petrochemicals limited The Indian and eastern engineer company private limited Banyan ventures & investment private limited Banyan consultancy services private limited APN ventures and consultancy private limited Banyan corporate advisors private limited Sothorn India Chamber of Commerce & Industry Goolestan Investment private Limited Script Stories Media Private Limited	Grand Luxe Hotels Limited
Chairpersonship/Membership in committees of other Entities	<b>Audit Committee</b> Manali Petro chemicals Limited <b>Stakeholder Relationship Committee : NIL</b>	NIL



Name of Director	<b>Thiru R. Ganapathi</b>	<b>Thiru H. Karthik Seshadri</b>
Date of Birth & Age	28-01-1955 & 64 years	16-08-1973 & 45 years
Nationality	Indian	Indian
Qualification	B.Tech- Mechanical Engineering - IIT, Chennai	B.A. LLB (Hons.)
Experience and Expertise in specific functional areas	Engineering – Management, IT Training, Construction and Heavy machinery trading.	Extensive practice over the past 19 years with emphasis on commercial and corporate litigations, Mergers & Acquisitions, as also other Non litigation transactional work. Credited with arguing a number of cases before the High Court of Madras and other Tribunal, Customs, Excise & Service Tax Appellate Tribunal, Securities Appellate Tribunal, Mumbai and having a number of these cases reported in many law journals.
Date of first appointment to the Board	08-08-2003	08-08-2003
Terms of Re- appointment	Reappointment as an Independent Director for the second term as per the provision of Companies Act, 2013.	Reappointment as an Independent Director for the second term as per the provision of Companies Act, 2013.
Revised Remuneration sought to be paid	NIL	NIL
Remuneration last drawn for the FY 2018-19	Rs. 0.42 lacs sitting fees paid for the Meetings attended during the financial year 2018-19. Other than sitting fees no remuneration was paid.	Rs. 1.89 lacs sitting fees paid for the Meetings attended during the financial year 2018-19. Other than sitting fees no remuneration was paid.
Shareholding in this company	NIL	NIL
Relationship	Relationship with directors, Manager & KMP- NIL	Relationship with directors, Manager & KMP- NIL
No of Board Meetings held and attended during the year	2/6	5/6
Name(s) of other entities in which holding of directorship	Orient green power company limited Trigyn technologies limited Beta wind farm private limited Leading edge infotech limited Trigyn technologies (India) private limited KKRR private limited Sothorn India Chamber of Commerce & Industry Terracis Technologies Limited	Iante LPO Private Limited
Chairpersonship/Membership in committees of other Entities	<b>Audit Committee</b> Orient Green Power Company Limited Trigyn Technologies Limited <b>Stakeholder Relationship Committee</b> Orient Green Power Company Limited Trigyn Technologies Limited	NIL

## TWENTY EIGHTH ANNUAL REPORT 2018 - 19

Name of Director	<b>Thiru G. Senrayaperumal</b>	<b>Thiru A.P Radhakrishnan</b>
Date of Birth & Age	03.02.1946& 72 years	15-09-1950 &68
Nationality	Indian	Indian
Qualification	B. Com	B.E (Civil)., MBA
Experience and Expertise in specific functional areas	He had 23 years of service in CBCID, The State's leading Investigating Agency of Tamil Nadu Government. During his tenure in crime Branch, handled number of important cases. He worked as a Liaison officer in All India Police Duty Meets held in Srinagar, Delhi, Shimla, Ahemedabad, Bangalore, Chennai, etc. He has served invarious cadres in Police Departments.	40 Years of experience in Civil engineering projects. Expertise in project planning, Training, Advising, Execution, Monitoring and Control, and Administration etc.,
Date of first appointment to the Board	25.10.2006	02.03.2019
Terms of Re- appointment	(i) Reappointment as an Independent Director for the second term as per provision of Companies Act, 2013. (ii) Continuing in Directorship on attaining age of 75 years as per SEBI listing Regulations.	Appointment as an Independent Director for the First term of 5 consecutive years with effect from 2nd March, 2019
Revised Remuneration sought to be paid	NIL	NIL
Remuneration last drawn for the FY 2018-19	Rs. 0.42 lacs sitting fees paid for the Meetings attended during the financial year 2018-19. Other than sitting fees no remuneration was paid.	NA
Shareholding in this company	NIL	NIL
Relationship	Relationship with directors, Manager & KMP- NIL	Relationship with directors, Manager & KMP- NIL
No of Board Meetings held and attended during the year	5/6	NA
Name(s) of other entities in which holding of directorship	NIL	NIL
Chairpersonship/Membership in committees of other Entities	<b>Audit Committee</b> NIL <b>Stakeholder Relationship Committee</b> NIL	NIL

Name of Director	<b>R.Madhavan</b>
Date of Birth & Age	12.02.1962 & 57 years
Nationality	Indian
Qualification	B.E., MBA
Experience and Expertise in specific functional areas	Expertise in Technical / IT Procurement Consultancy.

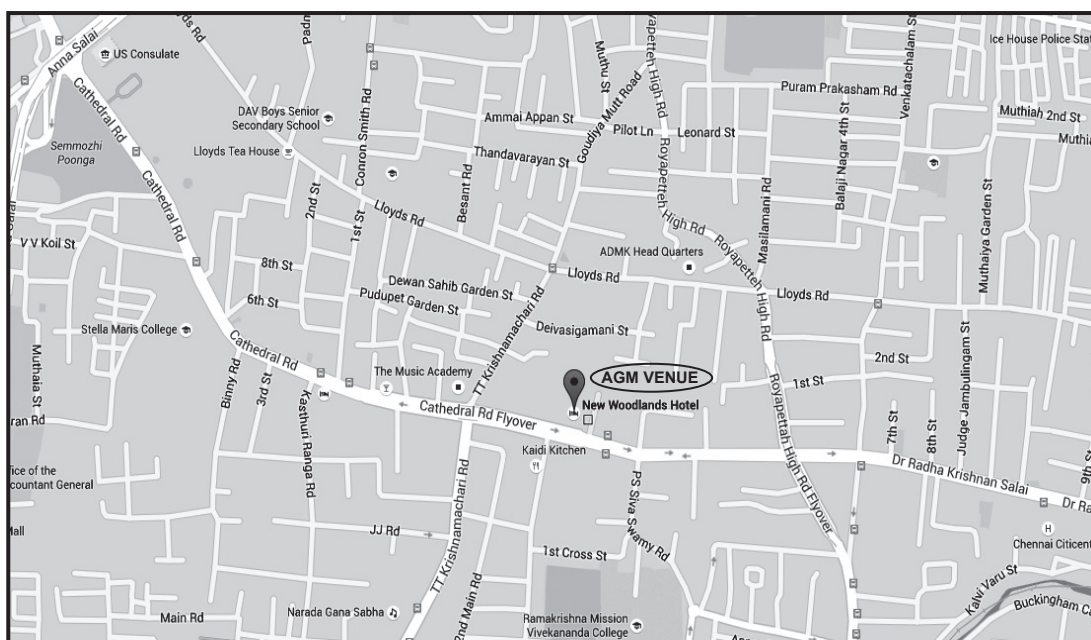
Date of first appointment to the Board	07.02.2019
Terms of Re- appointment	Appointment as Non-Executive Director
Revised Remuneration sought to be paid	NIL
Remuneration last drawn for the FY 2018-19	Rs. 0.07 lacs sitting fees paid for the Meetings attended during the financial year 2018-19 in the Name of Representing entity (ELCOT). Other than sitting fees no remuneration was paid.
Shareholding in this company	NIL
Relationship	Relationship with directors, Manager & KMP- NIL
No of Board Meetings held and attended during the year	1/1
Name(s) of other entities in which holding of directorship	DCL Software limited
Chairpersonship/Membership in committees of other Entities	<b>Audit Committee : NIL</b> <b>Stakeholder Relationship Committee : NIL</b>

By Order of the Board of Directors  
For **Elnet Technologies Limited**

Place : Chennai  
Date : 27<sup>th</sup> May, 2019

**T. Joswa Johnson**  
Company Secretary

## ROUTE MAP FOR THE 28TH ANNUAL GENERAL MEETING



**ELNET TECHNOLOGIES LIMITED**

CIN: L72300TN1990PLC019459

Registered office: Elnet Software City,

TS 140, Block No.2 & 9, Rajiv Gandhi Salai, Taramani, Chennai – 600 113

Phone No. : 91 - 44 - 2254 1791/93; Fax: 91 - 44 - 2254 1955

E-Mail: elnetcity@gmail.com; website: www.elnettechnologies.com

**ATTENDANCE SLIP**

**28<sup>TH</sup> ANNUAL GENERAL MEETING - 9TH AUGUST, 2019**

DP ID		Client ID	
Folio No		No of Shares	

I certify that I am a registered shareholder/ proxy for the registered shareholder of the Company and I hereby record my presence at the **28<sup>TH</sup> ANNUAL GENERAL MEETING** of the Members of the Company held on Friday, 9th August, 2019 at 11.00 A.M at New Woodlands Hotel Pvt. Ltd. located at No.72-75, Dr. Radhakrishnan Salai, Mylapore, Chennai - 600004.

\_\_\_\_\_  
**Shareholder's/Proxy's name in BLOCK LETTERS**

\_\_\_\_\_  
**Signature of Shareholder/Proxy**

**Note:** Please fill attendance slip and hand it over at the entrance of the meeting hall.



## ELNET TECHNOLOGIES LIMITED

CIN: L72300TN1990PLC019459

Registered office: Elnet Software City, TS 140, Block No.2 & 9, Rajiv Gandhi Salai, Taramani, Chennai – 600 113

Phone No. : 91 - 44 - 2254 1791/93; Fax: 91 - 44 - 2254 1955

E-Mail : elnetcity@gmail.com; website: www.elnettechnologies.com

### PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s)	
Registered Address	
E-mail ID	
Folio No (or) DP ID / Client ID	

I/We, being the member(s) of \_\_\_\_\_ shares of Elnet Technologies Limited, hereby appoint

1) Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
Signature : \_\_\_\_\_ or failing him/her

2) Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
Signature : \_\_\_\_\_ or failing him/her

3) Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
Signature : \_\_\_\_\_ or failing him/her

as my / our proxy to attend and vote (on a poll) for me / us on my behalf at the 28th Annual General Meeting of the Company to be held on Friday, 9th day of August 2019 at 11.00 a.m. at New Woodlands Hotel Pvt. Ltd, 72-75 Dr. Radhakrishnan Road, Mylapore, Chennai-600004 and at any adjournment thereof in respect of such resolutions are indicated below: **Please Tick (✓)**

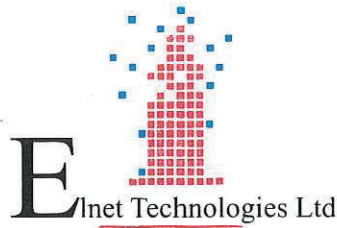
No.	Resolution	For	Against	No.	Resolution	For	Against
1	Adoption of audited Financial Statements and the Reports of the Board and the Statutory Auditors thereon			8	Re-appointment of Thiru G. Chellakrishna (DIN: 01036398) as Non-Executive Independent Director.		
2	Declaration a dividend of Rs. 1.50 per equity Share for the Financial Year ended 31st March, 2019			9	Re-appointment of Thiru R. Ganapathi (DIN: 00103623) as Non-Executive Independent Director.		
3	Appointment of director Thiru J. Ravi (DIN: 00042953) who retires by rotation.			10	Re-appointment of Thiru H Karthik Seshadri (DIN: 00203319) as Non-Executive Independent Director.		
4	Appointment of director Thiru C. Ramachandran (DIN: 00050893) who retires by rotation.			11	Re-appointment of Thiru K Kasim IPS., (Retd.,) (DIN:02959356) as Non-Executive Independent Director.		
5	Appointment of Thiru M. Vijayakumar IAS., (DIN: 08128389), as Chairman and Non-Executive Director.			12	Re-appointment of Thiru G. Senrayaperumal (DIN: 01458026) as Non-Executive Independent Director.		
6	Appointment of Thiru R. Madhavan (DIN: 02345801) as Non-Executive Director			13	Appointment of Thiru A.P Radhakrishnan (DIN:03642690) as Non-Executive Independent Director.		
7	Appointment of Thiru N. Srivathsa Desikan (DIN: 08205725) as Non-Executive Director.						

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2019

Signature of Shareholder : \_\_\_\_\_ Signature of Proxy holder(s) : \_\_\_\_\_

**Notes:** 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.

Affix  
1/-  
Revenue  
Stamp



Date: 15<sup>th</sup> July, 2019

BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai -400001.

Security Code/ID - 517477 / ELNET

Dear Sir/Madam,

**Sub: Submission of Annual Report for the Financial Year 2018-19**

**Ref: Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

In terms of requirement of Regulation 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Annual Report along with the Notice of Annual General Meeting for the Financial Year 2018-19.

The same has been hosted on our website of the company and can be accessed through the following link:

<http://www.elnettechnologies.com/Document/AR-2018-19.pdf>

This is for your information and records. Kindly acknowledge the receipt of the same.

Thanking you

Yours faithfully,

For **ELNET TECHNOLOGIES LIMITED**

**T. Joswa Johnson**  
Company Secretary & Compliance Officer

Encl: a/a



A network diagram with white nodes and lines on an orange background, representing a global or digital network.

ELNET TECHNOLOGIES LTD

A blurred image of a city street with people walking, overlaid with an orange tint and network diagram elements.

28<sup>th</sup> Annual Report

**2018-19**

<b>BOARD OF DIRECTORS</b>	<p>Thiru M. Vijayakumar, IAS.,Chairman and Non-Executive Director</p> <p>Tmt Unnamalai Thiagarajan, Managing Director</p> <p>Thiru C. Ramachandran,IAS.,(Retd) - Non-Executive Director</p> <p>Thiru J. Ravi - Non-Executive Director</p> <p>Thiru G. Chellakrishna - Non-Executive Independent Director</p> <p>Thiru H. Karthik Seshadri - Non-Executive Independent Director</p> <p>Thiru R. Ganapathi - Non-Executive Independent Director</p> <p>Thiru G. Senrayaperumal - Non-Executive Independent Director</p> <p>Thiru K. Kasim,IPS (Retd.) - Non-Executive Independent Director</p> <p>Thiru A. P Radhakrishnan- Non-Executive Independent Director</p> <p>Thiru R. Madhavan- Non-Executive Director</p> <p>Thiru N. Srivathsa Desikan- Non-Executive Director</p>
<b>CHIEF FINANCIAL OFFICER</b>	Tmt E. Kamakshi
<b>COMPANY SECRETARY</b>	Thiru T. Joswa Johnson
<b>STATUTORY AUDITORS</b>	MSKA and Associates Teynampet, Chennai - 600018.
<b>SECRETARIAL AUDITORS</b>	BP and Associates Ashok Nagar, Chennai.
<b>INTERNAL AUDITORS</b>	Ajay Kumar and Associates Chennai
<b>BANKERS</b>	<p><b>Axis Bank Limited</b> Thiruvannamipur Branch, Chennai-600041.</p> <p><b>State Bank of India</b> Industrial Finance Branch 155, Anna Salai,Chennai-600002.</p> <p><b>Canara Bank</b> Tidel Park Branch, Chennai-600113.</p>
<b>REGISTERED OFFICE</b>	<p>Elnet Software City TS 140, Block No.2&amp;9,Rajiv Gandhi Salai, Taramani, Chennai-600113.</p>
<b>REGISTRAR AND SHARE TRANSFER AGENTS</b>	<p>M/s. Cameo Corporate Services Limited “Subramanian Building”, 5th Floor No.1, Club House Road, Chennai-600002 Phone - 044 – 2846 0390 (6 lines) Fax – 044 – 2846 0129</p>

## TWENTY EIGHTH ANNUAL REPORT 2018 - 19

### PAST TEN YEARS FINANCIAL PERFORMANCE SUMMARY

(In ` Lacs)

Financial Highlights	As per IND As				As per IGAAP						
	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	
<b>Particulars</b>											
Gross Revenue	2548.69	2588.33	2528.69	2414.35	2330.04	2253.80	2169.21	1687.72	1606.45	1681.91	
Profits Before Tax	1166.29	1233.15	1205.99	979.78	847.39	864.59	802.03	635.51	570.88	573.65	
Taxation	325.11	333.25	422.51	335.17	284.69	280.69	263.13	214.16	206.27	198.42	
Profits After Tax	841.18	899.9	783.48	644.61	562.7	583.90	538.90	421.35	364.61	375.23	
Dividend	60.00	60.00	56.00	68.00	56.00	56.00	48.00	48.00	48.00	48.00	
*Dividend & Dividend Taxes	72.33	72.21	67.40	81.84	67.4	65.52	65.52	55.79	56.79	55.97	
Borrowings	426.34	426.34	426.34	426.34	426.34	426.34	426.34	426.34	873.44	1381.62	
Networth	7521.15	6775.84	5912.49	5300.44	4737.36	4299.21	3780.82	3298.38	2932.82	2623.99	
Earnings per Equity Share	20.44	22.5	19.59	16.12	14.07	14.60	13.47	10.53	9.12	9.38	
Dividend on Equity Share	15%	15%	14%	17%	14%	14%	12%	12%	12%	12%	
Debt: Equity Ratio (in times)	0.06:1	0.06:1	0.07:1	0.08:1	0.08:1	0.1:1	0.1:1	0.1:1	0.3:1	0.5:1	
Book Value of the Company	188.03	169.40	147.81	132.51	118.43	107.48	94.52	82.46	73.32	65.60	
Return on Networth (in %)	10.22	12.22	12.11	10.62	10.46	12.06	12.52	11.08	10.50	12.17	
Dividend Payout ration (in %)	7.13	6.67	7.15	10.55	9.95	9.59	8.91	11.39	13.16	12.79	
Return on Capital Employed (in %)	13.48	17.51	19.30	13.67	12.87	14.03	14.32	12.65	11.33	11.82	
P/E Ratio (in times)	5.05	6.67	6.44	4.46	4.69	2.96	2.96	3.61	4.71	5.86	

\* The Board has recommended the amount for the purpose of payment of dividend subject to the approval of members in the 28th AGM of the Company to be held on 9th August, 2019.

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### **NOTICE CONVENING THE TWENTY EIGHTH ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that the Twenty Eighth Annual General Meeting of Elnet Technologies Limited will be held on Friday, the 9th day of August, 2019 at 11.00 A.M at New Woodlands Hotel Pvt. Ltd, Located at No. 72-75 Dr. Radhakrishnan Road, Mylapore, Chennai-600004 to transact the following business:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements for the Financial Year ended 31st March, 2019 and the Reports of the Board of Directors and the Statutory Auditors thereon.
2. To declare a dividend of Rs. 1.50 per equity Share for the Financial Year ended 31st March, 2019.
3. To appoint a director in place of Thiru J. Ravi (DIN:00042953) who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a director in place of Thiru C. Ramachandran (DIN:00050893) who retires by rotation and being eligible offers himself for re-appointment.

#### **SPECIAL BUSINESS:**

##### **5. APPOINTMENT OF THIRU M. VIJAYAKUMAR IAS., (DIN:08128389), AS CHAIRMAN AND NON-EXECUTIVE 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 152, 160, 161 and other applicable provisions of the Companies Act, 2013 (“Act”) and the Rules made there under (including any statutory modification(s) or re-enactments there of for the time being in force) and pursuant to recommendation of the Nomination and Remuneration Committee and Articles of Association of the Company Thiru M. Vijayakumar IAS. (DIN: 08128389) who was appointed as Chairman Non-Executive Additional Director of the Company by the Board of Directors with effect from 7th Feb, 2019 and who holds office up to the date of this 28th Annual General Meeting, be and is hereby appointed as a Chairman and Non-Executive Director of the Company and he is not liable to retire by rotation in terms of Articles of Association of the Company.

**RESOLVED FURTHER THAT** any Directors of the Company or Mr. T. Joswa Johnson, Company Secretary be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution and for matters connected therewith or incidental thereto”.

**6. APPOINTMENT OF THIRU R. MADHAVAN., (DIN:02345801) AS NON-EXECUTIVE 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 152, 160, 161 and other applicable provisions of the Companies Act, 2013 (“Act”) and the Rules made there under (including any statutory modification(s) or re-enactments thereof for the time being in force), and pursuant to recommendation of the Nomination and Remuneration Committee and Articles of Association of the Company Thiru R. Madhavan (DIN: 02345801) who was appointed as Non-Executive Additional Director of the Company by the Board of Directors at its meeting held on 7th February, 2019 and who holds office up to the date of this 28th Annual General Meeting, be and is hereby appointed as a Non-Executive Director of the Company and liable to retire by rotation.

**RESOLVED FURTHER THAT** any Director of the Company or Mr. T. Joswa Johnson, Company Secretary be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution and for matters connected therewith or incidental thereto”.

**7. APPOINTMENT OF THIRU N. SRIVATHSA DESIKAN., (DIN:08205725) AS NON-EXECUTIVE 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 152, 160, 161 and other applicable provisions of the Companies Act, 2013 (“Act”) and the Rules made there under (including any statutory modification(s) or re-enactments thereof for the time being in force) and pursuant to recommendation of the Nomination and Remuneration Committee and Articles of Association of the Company Thiru N. Srivathsa Desikan (DIN: 08205725) who was appointed as Non Executive Additional Director of the Company by the Board of Directors at its meeting held on 7th Feb, 2019 and who holds office up to the date of this 28th Annual General Meeting, be and is hereby appointed as Non-Executive Director of the Company and liable to retire by rotation.

**RESOLVED FURTHER THAT** any Director of the Company and Mr. T. Joswa Johnson, Company Secretary be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution and for matters connected therewith or incidental thereto”.

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### 8. RE-APPOINTMENT OF THIRU G. CHELLAKRISHNA, (DIN:01036398) AS NON-EXECUTIVE INDEPENDENT DIRECTOR.

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to recommendation of the Nomination and Remuneration Committee, Thiru G. Chellakrishna (DIN: 01036398) being eligible for reappointment and having submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, be and is hereby re-appointed as an Independent Director of the Company to hold office for second term of five consecutive years w.e.f. 23rd April, 2019 and he is not liable to retire by rotation.”

**RESOLVED FURTHER THAT** any Director of the Company or Mr. T. Joswa Johnson, Company Secretary be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution and for matters connected therewith or incidental thereto”.

### 9. RE-APPOINTMENT OF THIRU R. GANAPATHI (DIN:00103623) AS NON-EXECUTIVE INDEPENDENT DIRECTOR.

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to recommendation of the Nomination and Remuneration Committee, Thiru R. Ganapathi (DIN: 00103623) being eligible for reappointment and having submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, be and is hereby re-appointed as an Independent Director of the Company to hold office for second term of five consecutive years w.e.f. 30th July, 2019 and he is not liable to retire by rotation.”



**RESOLVED FURTHER THAT** any Director of the Company or Mr. T. Joswa Johnson, Company Secretary be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution and for matters connected therewith or incidental thereto”.

**10. RE-APPOINTMENT OF THIRU H KARTHIK SESHADRI, (DIN: 00203319) AS NON-EXECUTIVE INDEPENDENT DIRECTOR.**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to recommendation of the Nomination and Remuneration Committee, Thiru H. Karthik Seshadri (DIN: 00203319) being eligible for reappointment and having submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, be and is hereby re-appointed as an Independent Director of the Company to hold office for second term of five consecutive years w.e.f. 30th July, 2019 and he is not liable to retire by rotation.”

**RESOLVED FURTHER THAT** any Director of the Company or Mr. T. Joswa Johnson, Company Secretary be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution and for matters connected therewith or incidental thereto”.

**11. RE-APPOINTMENT OF THIRU K KASIM IPS., (RETD.,)(DIN:02959356) AS NON-EXECUTIVE INDEPENDENT DIRECTOR.**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to recommendation of the Nomination and Remuneration Committee, Thiru K. Kasim IPS., (Retd) (DIN: 02959356) being eligible for reappointment

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and having submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act ,be and is hereby re-appointed as an Independent Director of the Company to hold office for second term of five consecutive years w.e.f. 30th July, 2019 and he is not liable to retire by rotation.”

**RESOLVED FURTHER THAT** any Directors of the Company or Mr. T. Joswa Johnson, Company Secretary be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution and for matters connected therewith or incidental thereto”.

### **12. RE-APPOINTMENT OF THIRU G. SENRAYAPERUMAL (DIN:01458026) AS NON-EXECUTIVE INDEPENDENT DIRECTOR.**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to recommendation of the Nomination and Remuneration Committee, Thiru G. Senrayaperumal (DIN: 01458026) being eligible for reappointment and having submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 be and is hereby re-appointed as an Independent Director of the Company to hold office for second term of five consecutive years w.e.f. 30th July, 2019 and he is not liable to retire by rotation.

**RESOLVED FURTHER THAT** pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force) and other applicable laws, if any, the continuation of appointment of Thiru G. Senrayaperumal (DIN: 01458026) as an Non-Executive Independent Director of the Company on attaining the age of 75 (seventy five) years during this second term of re-appointment, for remaining 3 years on the same terms and conditions of such re-appointment be and is hereby approved.

**RESOLVED FURTHER THAT** any Director of the Company or Mr. T. Joswa Johnson, Company Secretary be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution and for matters connected therewith or incidental thereto”.

### **13. APPOINTMENT OF THIRU A.P RADHAKRISHNAN (DIN:03642690) AS NON-EXECUTIVE INDEPENDENT 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 Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to recommendation of the Nomination and Remuneration Committee, Thiru A.P Radhakrishnan (DIN: 03642690) being eligible for appointment and having submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for First term of five consecutive years w.e.f. 2nd March, 2019 and he is not liable to retire by rotation.

**RESOLVED FURTHER THAT** any Director of the Company and Mr. T. Joswa Johnson, Company Secretary be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution and for matters connected therewith or incidental thereto”.

By order of the Board of Directors  
For **Elnet Technologies Limited**

Place : Chennai  
Date : 27<sup>th</sup> May, 2019

**T. Joswa Johnson**  
Company Secretary

**Registered Office:**

Elnet Software City,  
TS 140, Block No.2 & 9,  
Rajiv Gandhi Salai, Taramani,  
Chennai - 600 113  
Phone: +91-44-2254 1793, Fax: +91-44-2254 1955  
e-mail:elnetcity@gmail.com  
Website: www.elnettechnologies.com  
CIN:L72300TN1990PLC019459

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### NOTES:

1. An explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to Special Business to be transacted at the 28th Annual General Meeting (the “AGM” or “Meeting”), is annexed hereto.
2. ***A MEMBER ENTITLED TO ATTEND AND VOTE AT THE 28th ANNUAL GENERAL MEETING (“AGM”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.***

The instrument appointing the proxy, in order to be effective, should be deposited, duly completed and signed, at the registered office of the Company not less than forty-eight hours before the commencement of the AGM. Proxies admitted on behalf of the Companies, Societies and Partnership firms etc. must be accompanied by appropriate resolution/authority as applicable, issued on behalf of the nominating organization.

3. Pursuant to Section 105 of the Companies Act, 2013 and Rule 19 of the Companies (Management & Administration) Rules, 2014, a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for anyother person or shareholder. The proxy holder shall prove his/her identity at the time of attending the AGM. When a member appointed a proxy and both the member and proxy attend the meeting, the appointment of proxy stands automatically revoked.
4. Corporate members are requested to send a duly certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013 authorizing their representative to attend and vote at the AGM.
5. A member would be entitled to inspect the proxies lodged during 24 hours before the time fixed for the commencement of AGM and until the conclusion of the AGM.
6. As an austerity measure, the members/proxies are requested to bring their copy of the annual report to the AGM along with duly filled attendance slips.
7. Pursuant to section 124 of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF). Accordingly, the Company would be transferring the seven years' unpaid/unclaimed Dividend with respect to the dividend declared in the Financial Year 2011-12 within 30 days from the cut-off date of 24th July, 2019. As per the provisions, the 3

months' prior intimation to the eligible shareholders via Newspapers advertisement and individual letters has given and the same has been updated in website of the Company [www.elnettechnologies.com](http://www.elnettechnologies.com). Such Members are requested to ensure their claim, before it is transferred to the said Fund.

As on March 31, 2019, following amount of dividends remained unclaimed

Financial year for which dividend was declared	Unpaid/ Unclaimed Dividend Amount As On 31.03.2019 (In `)	Date of Declaration of Dividend	7 Years from the date of transfer to Unpaid Dividend Account
2011-12	2,71,803.60	22.06.2012	24.07.2019
2012-13	2,33,930.20	20.06.2013	22.07.2020
2013-14	2,44,253.80	17.07.2014	20.08.2021
2014-15	2,27,531.00	08.07.2015	10.08.2022
2015-16	3,24,822.50	15.06.2016	18.07.2023
2016-17	2,75,895.40	06.07.2017	08.08.2024
2017-18	2,35,089.50	09.08.2018	07.09.2025
<b>TOTAL</b>	<b>18,13,326.00</b>		

8. The Register of Members and the Share Transfer books of the Company will remain closed from Saturday, the 3rd day of August, 2019 to Friday 9th the day of August, 2019 (both days inclusive) for determining the name of Members eligible for dividend on Equity shares, if declared at the Meeting.
9. Dividend on equity shares, if declared at the Meeting, will be credited/dispatched within 30 days to those members whose name appears in the Company Register of Members as on cut-off date Friday, 2nd day of August, 2019.
10. Members holding shares in electronic form are requested to intimate immediately, any change in their address or bank mandates to their Depository Participant(s) with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to Registrar and Share Transfer Agent, M/s. Cameo Corporate Services Ltd, located at "Subramanian Building" # 1, Club House Road, Chennai-600002.
11. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend electronically. The Company or its Registrar and Share Transfer Agent M/s. Cameo Corporate Services Ltd cannot act on any request received from such members. Members holding shares in physical form, dividend will be paid as per the existing updated records Company.

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12. Members are requested to contact the Company's Registrar & Share Transfer Agents, M/s. Cameo Corporate Services Ltd. for their queries/redressal of complaints, if any, or contact Mr. T. Joswa Johnson, Company Secretary & Compliance Officer at the Registered Office of the Company (Phone:044-22541793; Email: elnetcity@gmail.com)
13. Queries if any, on the accounts and operation of the Company, if any, may please be sent to the Registered Office of the Company located at Elnet Software City, TS 140, Block No.2 & 9, Rajiv Gandhi Salai, Taramani, Chennai - 600 113 (Marked to the attention of CFO) at least seven days prior to the date of AGM.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrars and Share Transfer Agents, M/s. Cameo Corporate Services Ltd.
15. In accordance with the provision of Section 108 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and amendments thereto and Regulation 44 of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 the Company is pleased to provide its members the facility to cast their vote by electronic means on all resolutions set forth in the Notice. The instructions for e-voting are given in Serial No. 21. The cut-off date for determining the eligibility to vote by electronic means or by ballot in the general meeting shall be Friday, 2nd day of August, 2019.
16. In view of Green Initiative measures, the Company is hereby requesting members who have not registered their email addresses so far, to register their email addresses for receiving all communication including annual report, notices, circulars etc. from the Company electronically.
17. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 and Register of Contracts or Arrangements in which directors are interested, maintained under Section 189 of the Companies Act, 2013 read with Rules issued there under shall be available for inspection by the members at the AGM.
18. A route map showing directions to reach the venue of the 28th Annual General Meeting is enclosed along with this notice.
19. Additional information pursuant to Regulation 36 of the Listing Regulation Regulations and Secretarial Standards in respect of the directors seeking appointment/re-appointment at the AGM, forms part of the Notice.

## 20. IMPORTANT SHAREHOLDERS COMMUNICATION:

The Ministry of Corporate Affairs ("Ministry"), Government of India, has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by companies through electronic mode. As per the Circular No.17/2011, dated 21.04.2011 and Circular No.18/2011, dated 29.04.2011 issued by the Ministry of Corporate Affairs, Companies can now send various notices/documents (including notice calling Annual General Meeting, Audited Financial Statements, Boards Report, Auditors Report etc.) to the shareholders through electronic mode, to their registered email addresses. In case you are desirous of having the digital version of the Annual Report, you may write to us at [elnetcity@gmail.com](mailto:elnetcity@gmail.com) or to the registered Office of the Company. The Annual report of the Company can be accessed at Annual Report category in Investor section at website of the Company [www.elnettechnologies.com](http://www.elnettechnologies.com).

Electronic copy of 28th AGM Notice and Annual Report for the financial year 2018-19 inter alia indicating the process and manner of voting through electronic means along with Attendance Slip and Proxy Form is being sent to all the Members whose email ID's are registered with the Company's Registrar and Share Transfer Agents/Depository Participants(s) for communication purposes.

For members who have not registered their email address, physical copies of the Notice of the Meeting and Annual Report for the financial year 2018-19 of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the eligible members of the Company

## 21. E-Voting:

**VOTING THROUGH ELECTRONIC MEANS:** The Company is pleased to provide members a facility to exercise their right to vote on the resolutions as set out in the Notice by 'electronic means' and all the businesses may be transacted through e-voting services provided by Central Depository Services (India) Limited.

The Company is providing facility for voting by electronic means in compliance with the provisions of Section 108 of the Companies Act, read with Rule 20 of the Companies (Management and Administration) Rule, 2014 and Regulation 44 of SEBI (Listing obligations and disclosure requirements) Regulations, 2015.

**The instructions for shareholders voting electronically (remote e-Voting) are as under:**

- (i) The voting period begins on Monday, 5th August, 2019 at 9.00 A.M. and ends on Thursday, 8th August, 2019 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as



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on the cut-off date Friday, 2nd August, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by shareholder, the shareholder can not to change it subsequently.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue. The facility for voting, through polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote may exercise their vote through polling paper in the Annual General Meeting.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders/Members.
- (v) Now Enter your User ID
  - 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.
- (vi) Next enter the Image Verification as displayed and Click on Login
- (vii) 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.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	<ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 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>

<div>Dividend Bank Details</div> <div><b>OR</b></div> <div>Date of Birth (DOB)</div>	<div>Enter the Dividend Bank Details or Date of Birth in (dd/mm/yyyy) format as recorded in your demat account or in the company records in order to login.</div> <ul style="list-style-type: none"> <li>If both 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 (v)</li> </ul>
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- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant Company Name on which you choose to vote. i.e., ELNET TECHNOLOGIES LIMITED
- (xiii) 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.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote, 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.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print out of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xviii) If Demat account holder has forgotten the same password then enter the User ID

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and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xx) 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 Custodian/Corporate shareholder.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details they should create a compliance user 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.

(xxi) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date Friday, 2nd August, 2019 may follow the same instructions as mentioned above for e-Voting.

(xxii) 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).

22. 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 (record date) of Friday, 2nd August, 2019.
23. The Board of Directors has appointed M/s. BP & Associates, Practicing Company Secretaries, New No.74 (old No.62) Akshaya Flats, 3rd Floor, 12th Avenue, Ashok Nagar, Chennai- 83 as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.

24. After the conclusion of the Meeting, the Scrutinizer shall unblock the votes in the presence of at least 2 (two) witnesses who is not in the employment of the Company and make a Scrutinizer's Report on the votes cast in favour or against the resolutions.
25. The Results shall be declared by the Chairman or any person authorized by him in this regard on or before 11th August, 2019. The result 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 CDSL within two days of passing of the resolutions at the AGM of the Company and communicated to BSE Limited.

By order of the Board of Directors  
For **Elnet Technologies Limited**

Place : Chennai  
Date : 27<sup>th</sup> May, 2019

**T. Joswa Johnson**  
Company Secretary

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**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF  
THE COMPANIES ACT, 2013:**

Annexure to the Notice of 28th Annual General Meeting scheduled to be held on Friday, 9th day of August, 2019 at 11.00 A.M at New Woodlands Hotel Pvt. Ltd, located at No.72-75 Dr. Radhakrishnan Road, Mylapore, Chennai - 600004.

**Item No.5 & 7**

Pursuant to recommendation of Nomination and Remuneration Committee and the Articles of Association of the Company, the Board of Directors of the Company at its meeting held on 7th February, 2019 approved the change in Designation of Thiru M. Vijayakumar IAS., as Chairman and Non-Executive Additional Director and Thiru N. Srivathsa Desikan as Non-Executive Additional Director of the Company.

The afore said directors are eligible to hold the office up to the date of this 28th Annual General Meeting. An ordinary resolution seeking the approval of shareholders is being sought in this 28th Annual General Meeting.

None of the Directors, Key Managerial Personnel and / or their relatives are, in anyway, concerned or interested, financially or otherwise, in the proposed resolution except the appointee themselves.

**Item No.6**

Pursuant to recommendation of Nomination and Remuneration Committee and Articles of Association of the Company, the Board of Directors of the Company at its meeting held on 7th

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February, 2019 approved the appointment of Thiru R. Madhavan as Non-Executive Additional Director of the Company.

Thiru R. Madhavan is eligible to hold the office up to the date of this 28th Annual General Meeting. An ordinary resolution seeking the approval of shareholders is being sought in this 28th Annual General Meeting.

None of the Directors, Key Managerial Personnel and / or their relatives are, in anyway, concerned or interested, financially or otherwise, in the proposed resolution except the appointee himself.

### **Item No.8**

Thiru G. Chellakrishna was appointed as an Independent Director of the Company for the first term of five consecutive years as per provisions of Section 149, 150, 152 read with schedule-IV and Section 161(1) read with Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions, sections, rules of the Companies Act, 2013 and his term of appointment expired on 22nd April, 2019.

Thiru G. Chellakrishna had given consent for re-appointing him as an Independent Director for the second term of five consecutive years as per the Companies Act, 2013. Pursuant to the recommendation of Nomination and Remuneration committee, considering his active involvement in the Board and participation in the Audit Committee as a Chairman, helped the Company for efficient communication to the Board of Directors on decisions, the Board considered for reappointing him as Non-Executive & Independent Director for the second term of five consecutive years at the Board meeting held on 7th February, 2019 with effect from 23rd April, 2019. A special resolution for approval of shareholders for this appointment is being sought in this 28th Annual General Meeting.

None of the Directors, Key Managerial Personnel and / or their relatives are, in anyway, concerned or interested, financially or otherwise, in the proposed resolution except the appointee himself.

### **Item No.9 to 12**

Thiru R. Ganapathi, Thiru H. Karthik Seshadri, Thiru K. Kaism IPs (Retd) and Thiru G. Senrayaperumal were appointed as Independent Directors of the Company as per the provisions of Section 149, 150, 152 read with schedule-IV and Section 161(1) read with Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions, sections, rules of the Companies Act, 2013. Their term of appointment would expire on 29th July, 2019.

The aforesaid Directors had given the consent for re-appointing them as an Independent Director for the second term of five consecutive years as per the Companies Act, 2013. Pursuant to the recommendation of Nomination and Remuneration committee, considering their active involvement in the Board, the Board considered for reappointing them as Non-Executive & Independent Director at the Board meeting held on 27th May, 2019 with effect from 30th July, 2019.

Further, pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force) and other applicable laws, if any, the directors who attain the age of 75 years and continue their Directorship in the Company after 1st April, 2019, have to continue with the prior approval of shareholders by passing a special resolution. In compliance with this regulation, Thiru G. Senrayaperumal (DIN: 01458026) who attained age of 72 years as of now, will attain the age of 75 years during the second term of appointment under Companies Act, 2013.

Hence, a special resolution for the continuation as Non executive independent Director along with the other resolutions for aforesaid such appointment is being sought for prior approval of shareholders in this 28th Annual General Meeting.

None of the Directors, Key Managerial Personnel and / or their relatives are, in anyway, concerned or interested, financially or otherwise, in the proposed resolution except the appointee themselves.

#### **Item No.13**

Pursuant to the provisions of Section 149, 150, 152 read with schedule-IV and Section 161(1) read with Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions, sections, rules of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) and pursuant to the recommendation of Nomination and Remuneration committee, the Board of Directors vide circulation of Board Resolution, approved the appointment of Thiru A.P. Radhakrishnan (DIN: 03642690) as Non - Executive Independent Director on the Board of the Company to hold office for the first term of five consecutive years with effect from 2nd March, 2019. An ordinary resolution for the approval of shareholders is being sought in this 28th Annual General Meeting.

None of the Directors, Key Managerial Personnel and / or their relatives are, in anyway, concerned or interested, financially or otherwise, in the proposed resolution except the appointee himself.

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### Details of Directors seeking Appointment/Re-appointment at the 28th Annual General Meeting pursuant to Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meeting.

Name of Director	Thiru M. Vijayakumar IAS.,	Thiru N. Srivathsa Desikan
Date of Birth & Age	07.10.1960 & 58	12.09.1989 & 29 years
Nationality	Indian	Indian
Qualification	IAS (Indian Administrative Service)	B.Com., MSW(HR), ACS
Experience and Expertise in specific functional areas	Corporate Management, Crisis Management, Conflict Resolution Management.	Professional and expertise in Corporate Compliances & Corporate Governance and Sustainability
Date of first appointment to the Board	25.05.2018	09.08.2018
Terms of Re- appointment	Appointment as Chairman and Non-Executive Director	Appointment as Non-Executive Director
Revised Remuneration sought to be paid	NIL	NIL
Remuneration last drawn for the FY 2018-19	Rs. 0.14 lacs sitting fees paid for the Meetings attended during the financial year 2018-19 in the Name of Representing entity (ELCOT). Other than sitting fees no remuneration was paid.	Rs. 0.63 lacs sitting fees paid for the Meetings attended during the financial year 2018-19 in the Name of Representing entity (ELCOT). Other than sitting fees no remuneration was paid.
Shareholding in this company	NIL	NIL
Relationship	Relationship with directors, Manager & KMP- NIL	Relationship with directors, Manager & KMP- NIL
No of Board Meetings held and attended during the year	2/6	5/5
Name(s) of other entities in which holding of directorship	Electronics Corporation of Tamilnadu limited Tidel Park Coimbatore Limited Chennai Smart City Limited Tamilnadu Arasu cable T.V. Corporation Public Limited Tamil Nadu Fibrenet Corporation Limited	Kody Teck Limited Intwel Technologies Limited A G T Electronics Limited Ravichandra Systems Limited
Chairpersonship/Membership in committees of other Entities	<b>Audit Committee</b> Tidel Park Coimbatore Limited <b>Stakeholder Relationship Committee</b> NIL	NIL



Name of Director	<b>Thiru C. Ramachandran IAS (Retd.)</b>	<b>Thiru J. Ravi</b>
Date of Birth & Age	15.05.1938 & 80 years	03.10.1954 & 63 years
Nationality	Indian	Indian
Qualification	B.Sc (Hons)., MA	B.Tech - Chemical Engineering
Experience and Expertise in specific functional areas	Thiru C. Ramachandran IAS (Retd.) was served for Government in various responsibilities, worked in public sector companies and retired as Principal Secretary, Industries Dept., He is specialised in the area of Corporate Management.	34 years of experience in International Trading
Date of first appointment to the Board	08.08.2003	08.08.2003
Terms of Re- appointment	Being longest in office, liable to retire by rotation and sought himself of reappointment.	Being longest in office liable to retire by rotation and sought himself of reappointment.
Revised Remuneration sought to be paid	NIL	NIL
Remuneration last drawn for the FY 2018-19	Rs. 1.82 lacs sitting fees paid for the Meetings attended during the financial year 2018-19. Other than sitting fees no remuneration was paid.	Rs. 0.84 lacs sitting fees paid for the Meetings attended during the financial year 2018-19. Other than sitting fees no remuneration was paid.
Shareholding in this company	NIL	NIL
Relationship	Relationship with directors, Manager & KMP- NIL	Relationship with directors, Manager & KMP- NIL
No of Board Meetings held and attended during the year	6/6	2/6
Name(s) of other entities in which holding of directorship	Tulsyanec limited Dewa properties limited IG3 infra limited The great Indian linen and textile infrastructure company private limited Grand luxe hotels limited Appu hotels limited	NIL
Chairpersonship/Membership in committees of other Entities	<b>Audit Committee</b> IG3 Infra Limited Appu Hotels Limited Tulsyan Nec Limited <b>Stakeholder Relationship Committee</b> Tulsyan Nec Limited	NIL

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Name of Director	<b>Thiru G. Chellakrishna</b>	<b>Thiru K. Kasim IPS (Retd.)</b>
Date of Birth & Age	15-08-1979 & 39 years	11-10-1938 & 80 years
Nationality	Indian	Indian
Qualification	FCA	Honours Graduate and IPS Retd.
Experience and Expertise in specific functional areas	Practicing Chartered Accountant for 19 years.	Thiru K. Kasim IPS (Retd.) has vast experience in teaching profession. Eminent writer in the field of political, Religious, etc and Expert in Corporate Management
Date of first appointment to the Board	22-04-2014	27-01-2010
Terms of Re- appointment	Reappointment as an Independent Director for the second term as per the provision of Companies Act, 2013.	Reappointment as an Independent Director for the second term as per the provision of Companies Act, 2013.
Revised Remuneration sought to be paid	NIL	NIL
Remuneration last drawn for the FY 2018-19	Rs. 0.70 lacs sitting fees paid for the Meetings attended during the financial year 2018-19. Other than sitting fees no remuneration was paid.	Rs. 0.77 lacs sitting fees paid for the Meetings attended during the financial year 2018-19. Other than sitting fees no remuneration was paid.
Shareholding in this company	NIL	NIL
Relationship	Relationship with directors, Manager & KMP- NIL	Relationship with directors, Manager & KMP- NIL
No of Board Meetings held and attended during the year	5/6	6/6
Name(s) of other entities in which holding of directorship	Manali petrochemicals limited The Indian and eastern engineer company private limited Banyan ventures & investment private limited Banyan consultancy services private limited APN ventures and consultancy private limited Banyan corporate advisors private limited Sothorn India Chamber of Commerce & Industry Goolestan Investment private Limited Script Stories Media Private Limited	Grand Luxe Hotels Limited
Chairpersonship/Membership in committees of other Entities	<b>Audit Committee</b> Manali Petro chemicals Limited <b>Stakeholder Relationship Committee : NIL</b>	NIL

Name of Director	<b>Thiru R. Ganapathi</b>	<b>Thiru H. Karthik Seshadri</b>
Date of Birth & Age	28-01-1955 & 64 years	16-08-1973 & 45 years
Nationality	Indian	Indian
Qualification	B.Tech- Mechanical Engineering - IIT, Chennai	B.A. LLB (Hons.)
Experience and Expertise in specific functional areas	Engineering – Management, IT Training, Construction and Heavy machinery trading.	Extensive practice over the past 19 years with emphasis on commercial and corporate litigations, Mergers & Acquisitions, as also other Non litigation transactional work. Credited with arguing a number of cases before the High Court of Madras and other Tribunal, Customs, Excise & Service Tax Appellate Tribunal, Securities Appellate Tribunal, Mumbai and having a number of these cases reported in many law journals.
Date of first appointment to the Board	08-08-2003	08-08-2003
Terms of Re- appointment	Reappointment as an Independent Director for the second term as per the provision of Companies Act, 2013.	Reappointment as an Independent Director for the second term as per the provision of Companies Act, 2013.
Revised Remuneration sought to be paid	NIL	NIL
Remuneration last drawn for the FY 2018-19	Rs. 0.42 lacs sitting fees paid for the Meetings attended during the financial year 2018-19. Other than sitting fees no remuneration was paid.	Rs. 1.89 lacs sitting fees paid for the Meetings attended during the financial year 2018-19. Other than sitting fees no remuneration was paid.
Shareholding in this company	NIL	NIL
Relationship	Relationship with directors, Manager & KMP- NIL	Relationship with directors, Manager & KMP- NIL
No of Board Meetings held and attended during the year	2/6	5/6
Name(s) of other entities in which holding of directorship	Orient green power company limited Trigyn technologies limited Beta wind farm private limited Leading edge infotech limited Trigyn technologies (India) private limited KKRR private limited Sothorn India Chamber of Commerce & Industry Terracis Technologies Limited	Iante LPO Private Limited
Chairpersonship/Membership in committees of other Entities	<b>Audit Committee</b> Orient Green Power Company Limited Trigyn Technologies Limited <b>Stakeholder Relationship Committee</b> Orient Green Power Company Limited Trigyn Technologies Limited	NIL

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Name of Director	<b>Thiru G. Senrayaperumal</b>	<b>Thiru A.P Radhakrishnan</b>
Date of Birth & Age	03.02.1946& 72 years	15-09-1950 &68
Nationality	Indian	Indian
Qualification	B. Com	B.E (Civil)., MBA
Experience and Expertise in specific functional areas	He had 23 years of service in CBCID, The State's leading Investigating Agency of Tamil Nadu Government. During his tenure in crime Branch, handled number of important cases. He worked as a Liaison officer in All India Police Duty Meets held in Srinagar, Delhi, Shimla, Ahemedabad, Bangalore, Chennai, etc. He has served invarious cadres in Police Departments.	40 Years of experience in Civil engineering projects. Expertise in project planning, Training, Advising, Execution, Monitoring and Control, and Administration etc.,
Date of first appointment to the Board	25.10.2006	02.03.2019
Terms of Re- appointment	(i) Reappointment as an Independent Director for the second term as per provision of Companies Act, 2013. (ii) Continuing in Directorship on attaining age of 75 years as per SEBI listing Regulations.	Appointment as an Independent Director for the First term of 5 consecutive years with effect from 2nd March, 2019
Revised Remuneration sought to be paid	NIL	NIL
Remuneration last drawn for the FY 2018-19	Rs. 0.42 lacs sitting fees paid for the Meetings attended during the financial year 2018-19. Other than sitting fees no remuneration was paid.	NA
Shareholding in this company	NIL	NIL
Relationship	Relationship with directors, Manager & KMP- NIL	Relationship with directors, Manager & KMP- NIL
No of Board Meetings held and attended during the year	5/6	NA
Name(s) of other entities in which holding of directorship	NIL	NIL
Chairpersonship/Membership in committees of other Entities	<b>Audit Committee</b> NIL <b>Stakeholder Relationship Committee</b> NIL	NIL

Name of Director	<b>R.Madhavan</b>
Date of Birth & Age	12.02.1962 & 57 years
Nationality	Indian
Qualification	B.E., MBA
Experience and Expertise in specific functional areas	Expertise in Technical / IT Procurement Consultancy.

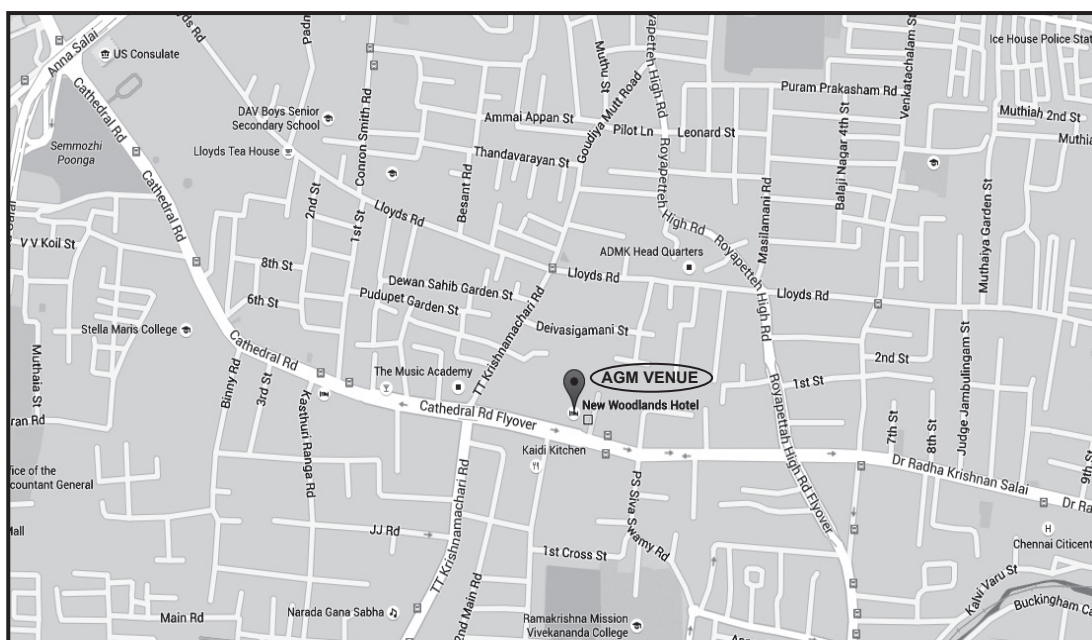
Date of first appointment to the Board	07.02.2019
Terms of Re- appointment	Appointment as Non-Executive Director
Revised Remuneration sought to be paid	NIL
Remuneration last drawn for the FY 2018-19	Rs. 0.07 lacs sitting fees paid for the Meetings attended during the financial year 2018-19 in the Name of Representing entity (ELCOT). Other than sitting fees no remuneration was paid.
Shareholding in this company	NIL
Relationship	Relationship with directors, Manager & KMP- NIL
No of Board Meetings held and attended during the year	1/1
Name(s) of other entities in which holding of directorship	DCL Software limited
Chairpersonship/Membership in committees of other Entities	<b>Audit Committee : NIL</b> <b>Stakeholder Relationship Committee : NIL</b>

By Order of the Board of Directors  
For **Elnet Technologies Limited**

Place : Chennai  
Date : 27<sup>th</sup> May, 2019

**T. Joswa Johnson**  
Company Secretary

## ROUTE MAP FOR THE 28TH ANNUAL GENERAL MEETING



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### BOARD'S REPORT

Dear Members,

Your Directors have great pleasure in presenting the Twenty Eighth Annual Report together with the Audited financial statements of your Company for the Financial Year ended 31st March, 2019.

### FINANCIAL HIGHLIGHTS

The financial performance of your company is stated hereunder: (Rs. In Lakhs)

S. No.	Particulars	2018-19	2017-18
1.	Revenue from operations	2104.45	2221.37
2.	Other income	444.24	366.96
3.	Total revenue	2548.69	2588.33
4.	Expenses	1382.40	1352.03
5.	Profit before exceptional items and tax	1166.29	1236.30
6.	Exceptional items	0.00	(3.15)
7.	Profit before tax	1166.29	1233.15
8.	Tax expense	325.11	333.25
9.	Profit for the period	841.18	899.90
10.	Other comprehensive income, net of income tax	(23.55)	32.23
11.	Total comprehensive income for the period	817.63	932.13
12.	Earnings per share	20.44	22.50

### STATE OF THE COMPANY'S AFFAIRS:

During the year 2018-19, there was no significant change in the business model of the company.

### DIVIDEND

The Board of Directors are at their meeting held on 27th May, 2019 pleased to recommend a dividend of 15% i.e Rs. 1.50 on the Equity Shares of the Company for the financial year ended 31st March, 2019 absorbing a sum of Rs. 72.33 Lakhs including dividend distribution tax. The dividend, if approved by the Shareholders will be paid within the statutory period to all those equity shareholders whose name appears in the Register of Members of the Company as on Friday, 9th August, 2019 being the record date.

## **SHARE CAPITAL**

During the year under review, your Company has not issued any type of Shares. Hence there is no change in the share capital of the company.

## **FUTURE PROSPECTS**

Your Company is currently enjoying 100% of occupancy level. At present, there is no proposal for any further expansion.

## **TRANSFERS TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

Pursuant to section 124 of the Companies Act, 2013 ("the Act") read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("The Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government, after completion of seven consecutive years from the date of transfer to unpaid dividend account. Further, according to the Rules, the shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall also be transferred to the demat account of IEPF Authority.

### **Transfer of Unpaid/ Unclaimed Dividend Amount/ Shares pertaining to the dividend declared financial year ended 31st March, 2012 to Investor Education and Protection Fund (IEPF)**

The due date for transfer of unpaid/unclaimed dividend amount and corresponding shares for the dividend declared during the financial year ended 31st March, 2012 is 24th July, 2019. In compliance with the provision, during the financial year 2019-2020 the Company had sent individual notices to the eligible shareholders and advertised in the newspapers (Business standard - Leading English Newspaper All India edition and Malai Sudar- Regional language newspaper) seeking action from the shareholders who have not claimed their dividends for seven consecutive years or more for the dividend declared during the financial year ended 31st March, 2012. Accordingly, after the expiry of due date for claiming the unpaid/ unclaimed dividend, the Company will transfer such unpaid or unclaimed dividends and also the corresponding shares to IEPF authority.

Details of shares/shareholders in respect of which dividend has not been claimed, are provided on the website of the company [www.elnettechnologies.com](http://www.elnettechnologies.com). (Investors/ Compliances/ unpaid dividend data/ year 2019). Members are requested to ensure that they claim the dividends and shares referred above, before they are transferring to the said Fund.

Members/claimants whose shares, and/or unclaimed dividend, have been transferred to the IEPF Demat Account or the Fund, as the case may be, may claim the shares or apply for refund of dividend by making an application to the IEPF Authority in Form IEPF-5 (available



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on <http://www.iepf.gov.in>) along with requisite fee as decided by the IEPF Authority from time to time. The Member/claimant can file only one consolidated claim in a Financial Year as per the IEPF Rules.

### **CASH FLOW STATEMENT**

In compliance with the provisions of Section 134 of Companies Act, 2013 and Regulation 34(2)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Cash flow statement for the financial year ended 31st March, 2019 forms part of this Annual Report.

### **NUMBER OF MEETINGS OF THE BOARD & COMMITTEES**

The Board of Directors met 06 (Six) times during the financial year ended 31st March, 2019. i.e., 25th May, 2018, 09th August, 2018, 12th September, 2018, 09th November, 2018, 29th November, 2018 and 07th February, 2019. The gap between the Board meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Details regarding attendance of directors at the Board Meetings and the particulars of meeting of all Committees held during the financial year ended 31st March, 2019 are given in the Corporate Governance report forming part of this Annual Report.

### **PASSING OF BOARD RESOLUTION BY CIRCULATION**

During the financial year 2018-19, few Board Resolutions and Nomination and Remuneration committee resolutions were passed through circulation. The same were placed for noting of the Board in the subsequent Board Meeting and recorded in the Minutes of the said Board Meeting.

### **AUDIT COMMITTEE**

Pursuant to section 177(8) of Companies Act 2013, the Company has constituted an Audit Committee. The particulars of Composition of the Audit Committee, meetings held during the year and other particulars have been detailed in the Corporate Governance Report forming part of this Annual Report.

### **DETAILS OF RECOMMENDATIONS OF AUDIT COMMITTEE WHICH WERE NOT ACCEPTED BY THE BOARD ALONG WITH REASONS**

The Audit Committee generally makes certain recommendations to the Board of Directors of the Company during their meetings held to consider any financial results (Unaudited and Audited) and such other matters as per the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from time to time. During the year the Board of Directors has considered all the recommendations made by the Audit Committee and has accepted and carried on the recommendations suggested by the Committee to its satisfaction.

Hence there are no recommendations unaccepted by the Board of Directors of the Company during the year under review.

## **CHANGE IN DIRECTORS AND KEY MANAGERIAL PERSONNEL**

### **CHANGE IN DIRECTORS - APPOINTMENT, CHANGE IN DESIGNATION AND RESIGNATION**

#### **APPOINTMENT**

During the financial year ended 31st March, 2019, Thiru M. Vijayakumar IAS., (DIN: 08128389) was appointed as the chairman and Non-executive Nominee director at the meeting of Board of Directors held on 25th May, 2018.

During the financial year ended 31st March, 2019, Thiru N. Srivathsa Desikan (DIN: 08205725) was appointed as Non-executive Nominee director at the meeting of Board of Directors held on 09th August, 2018.

During the financial year ended 31st March, 2019, Thiru R. Madhavan (DIN: 02345801) was appointed as Non-Executive Additional Director with effect from 7th February, 2019 at the Meeting of Board of Directors held on 7th February, 2019 subject to the approval of shareholders of the Company. The said appointment is deployed for the approval of Shareholders in this 28th Annual General Meeting.

During the financial year ended 31st March, 2019, Thiru A.P Radhakrishnan (DIN: 03642690) was appointed as Non-Executive (Independent) Director with effect from 7th February, 2019 on Board of Directors the company. An ordinary resolution seeking the approval of shareholders is being sought in this 28th Annual General Meeting.

#### **CHANGE IN DESIGNATION**

During the financial year ended 31st March, 2019, pursuant to the Articles of Association of the Company and the resolution passed at the Meeting of Board of Directors held on 7th February, 2019 the change in Designation of Thiru M. Vijayakumar IAS., (DIN: 08128389) was approved to appoint as Chairman and Non-Executive - Additional Director with effect from 7th February, 2019 subject to the approval of shareholders of the Company. An ordinary resolution seeking the approval of shareholders is being sought in this 28th Annual General Meeting of the company.

During the financial year ended 31st March, 2019, pursuant to the Articles of Association of the Company and the resolution passed at the Meeting of Board of Directors held on 7th February, 2019 the change in Designation of Thiru N. Srivathsa Desikan (DIN: 08205725) was approved to appoint as Non-Executive Additional Director with effect from 7th February, 2019 subject to the approval of shareholders of the Company. An ordinary resolution seeking the approval of shareholders is being sought in this 28th Annual General Meeting of the Company.

## **TWENTY EIGHTH ANNUAL REPORT 2018 - 19**

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### **RE-APPOINTMENT**

During the financial year ended 31st March, 2019, Thiru G. Chellakrishna was re-appointed as Independent Director with effect from 23rd April, 2019 for the second term as per section 149, 150, 152 read with schedule-IV and Section 161(1) read with Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions, sections, rules of the Companies Act, 2013. A special resolution seeking the approval of shareholders for his re-appointment for the second term is being sought in this 28th Annual General Meeting.

The tenure of appointment of Independent Directors Thiru R. Ganapathi, Thiru H. Karthik Seshadri, Thiru G. Senrayaperumal and Thru K. Kasim IPS (Retd) would expire on 29th July, 2019. The said directors have given consent for re-appointing them as an Independent Director for the second term as per the Companies Act, 2013. Pursuant to the recommendation of Nomination and Remuneration committee, considering their active involvement in the Board, the Board has considered for reappointing them as Non-Executive & Independent Directors at the Board meeting held on 27th May 2019 with effect from 30th July, 2019. The special resolutions seeking the approval of shareholders are being sought in this 28th Annual General Meeting of the Company.

### **RESIGNATION**

Thiru B. Evanesan (DIN: 03642690) and Dr. V. Dharmalingam (DIN: 00585114) resigned from the Board of the Company with effect from 7th February, 2019 and 2nd March, 2019 respectively. The Board placed its sincere gratitude for the services and support rendered by the said Directors during their tenure in the Board.

### **RETIRE BY ROTATION**

Pursuant to Section 152(6)(c) of Companies Act, 2013, Thiru J. Ravi (DIN:00042953) retired at the 27th Annual General Meeting of the Company held on 09th August 2018 and being eligible was re-appointed.

### **CHANGE IN KEY MANAGERIAL PERSONNEL**

During the financial year ended 31st March, 2019 there were no changes in Key Managerial personal in the Company.

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

Pursuant to the provisions of Section 134(3) (a) of the Companies Act, 2013, the Annual return as per provisions of Section 92 (3) of the Companies Act, 2013 can be viewed via web link <http://www.elnettechnologies.com/Document/Extract%20of%20Annual%20Return%2031.03.2019.pdf>. Further, the extract of the Annual Return for the financial year ended March 31, 2019 is also been attached as **ANNEXURE- III** which is forming part of this Report.

## **INDEPENDENT DIRECTORS' DECLARATION**

The Company has received declarations from all the Independent Directors who is occupying the board as on the date of end of financial year 2018-19 confirming that they continue to meet with the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 25 & 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made under thereto.

## **CORPORATE GOVERNANCE REPORT**

Pursuant to Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with schedule-V thereof, the report on Corporate Governance and also the certificate of practicing Company Secretaries regarding compliance with the conditions of Corporate Governance has been furnished in the Annual Report as **ANNEXURE-VI**.

## **MANAGEMENT DISCUSSION & ANALYSIS**

Pursuant to Regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with schedule-V thereof, the Management Discussion and Analysis report has been annexed to the Boards Report as **ANNEXURE-V** and forms a part of the Annual Report.

## **COMPLIANCE WITH CODE OF CONDUCT**

The Company has framed a Code of Conduct for the Board of directors and Senior Management personnel of the Company. The Code of Conduct is available on the Company's website. All the Board of directors and senior management personnel have affirmed compliance with the Code of conduct as on 31st March, 2019.

As required under Regulation 34(3) and Schedule V (D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a declaration from Tmt Unnamalai Thiagarajan, Managing director to this effect is annexed to the report on corporate governance which forms part of this Annual Report.

## **LISTING OF SHARES**

The equity shares of the Company are listed on the Stock Exchange viz., BSE Limited (BSE). The Company has paid the applicable listing fees to the Stock Exchanges within the stipulated time.

## **DEMATERIALISATION OF EQUITY SHARES**

As on 31st March, 2019 38,52,635 numbers of equity shares are held in Dematerialized form, which constitutes 96.31% of total shareholding. The Company urges its shareholders to dematerialize the remaining physical shares also at the earliest.

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### **ACCEPTANCE OF FIXED DEPOSITS**

During the year under review, your Company neither accepted any deposits nor there were any amounts outstanding at the beginning or end of the year which were classified as 'Deposits' in terms of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014 and hence, the requirement for furnishing of details of deposits which are not in compliance with the Chapter V of the Companies Act, 2013 is not applicable.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Sections 134(3) (c) and 134(5) of the Act, in relation to the audited financial statements of the Company for the year ended March 31, 2019, the Board of Directors hereby confirms that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures wherever applicable.
- b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at 31st March, 2019 and of the profit of your Company for the year ended on that date.
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safe guarding the assets of your Company and for preventing and detecting fraud and other irregularities
- d) the Directors have prepared the annual accounts on a 'going concern' basis
- e) the Directors have laid down internal financial controls to be followed by your Company and that such internal financial controls are adequate and are operating effectively and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### **CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

In compliance with the requirements of Section 135 and Schedule VII of the Companies Act, 2013 read with The Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, the Board of Directors had framed a policy on CSR as recommended by the CSR committee duly constituted and the said policy is available on the Company's website [www.elnettechnologies.com](http://www.elnettechnologies.com). The composition and terms of reference of the CSR Committee is detailed in the Corporate Governance Report forming part of this Annual Report.

The disclosure on Corporate Social Responsibility initiatives during the financial year has been provided in **ANNEXURE-IV** which forms part of this Annual Report.

## **STATUTORY AUDITORS**

Pursuant to the provisions of Section 139 of Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended, M/s. MSKA and Associates, Chartered Accountants, Chennai, were appointed as Statutory Auditors of your Company in the 26th Annual General Meeting of the Company for a term of 5 years till the conclusion of 31st Annual General Meeting.

The Annual Accounts of the Company containing its Balance Sheet, Statement of Profit and Loss and Cash Flow Statement including the Notes and Schedules to the Accounts have been audited by M/s. MSKA Associates, Chartered Accountants, Chennai.

The Independent Auditors Report given by the Auditors on the financial statements of the Company is forming part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report which requires any explanation/ comments by the Board.

## **SECRETARIAL AUDITOR**

Pursuant to the Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Board of Directors had appointed M/s. BP & Associates, Practicing Company Secretaries, Chennai as the Secretarial Auditors of the Company for conducting the Secretarial Audit for the financial year 2018-19. The Secretarial Audit Report for the Financial Year 2018-19 does not contain any adverse remark, qualification or reservation or disclaimer which requires any explanation/ comments by the Board. The Secretarial Audit Report is forming part of this Annual Report.

## **INTERNAL AUDITOR**

Pursuant to Section 138 of the Companies Act 2013 read with rule 13 of The Companies (Accounts) Rules, 2014 and all other applicable provisions (including any amendment thereto) if any of the Companies Act 2013 M/s. Ajay Kumar and Associates, Chartered Accountants, Chennai was appointed as the Internal Auditors of the Company for the Financial Year 2018- 19.

The audit conducted by the Internal Auditors is based on an internal audit plan, which is reviewed each quarter in consultation with the Audit Committee. These audits are based on risk based methodology and inter alia involve the review of internal controls and governance processes, adherence to management policies and review of statutory compliances. The Internal Auditors share their findings on an ongoing basis during the financial year for corrective action. The Audit Committee oversees the work of Internal Auditors.

## **COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS**

During the Financial Year 2018-19, your Company has complied with applicable Secretarial Standards, namely SS-1 & SS-2 issued by the Institute of Company Secretaries of India.

## TWENTY EIGHTH ANNUAL REPORT 2018 - 19

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### PARTICULARS OF EMPLOYEES

The information as required under the provisions of Section 197(12) of the Companies Act, 2013 and read with rule 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are set out in **ANNEXURE - I** attached herewith which forms part of this report.

### CONSERVATION OF ENERGY/TECHNOLOGY ABSORPTION/FOREIGN EXCHANGE EARNINGS AND OUTGO

#### A. Conservation of Energy:

Steps taken or impact on conservation of energy	The operations of the Company are not energy-intensive. However, wherever possible, the Company strives to curtail the consumption of energy on a continuing basis.
Steps taken by the company for utilizing alternate sources of energy	
Capital investment on energy conservation equipment's	

#### B. Technology absorption:

Efforts made towards technology absorption	Not Applicable
Benefits derived like product improvement, cost reduction, product development or import substitution	
Expenditure on Research & Development, if any	
Details of technology imported, if any	
Year of import	
Whether imported technology fully absorbed	
Areas where absorption of imported technology has not taken place, if any	

#### C. Foreign Exchange Earning and Outgo:

Total Foreign exchange earned	: NIL
Total Foreign exchange outgo	: NIL

### 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 under Self-evaluation method. 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 07th February, 2019 to review the performance of the Non-executive directors, Chairman and performance of the Board as a whole.

#### **NOMINATION AND REMUNERATION POLICY**

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 directors appointment, 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 [www.elnettechnologies.com](http://www.elnettechnologies.com)

#### **ESTABLISHMENT OF VIGIL MECHANISM/ WHISTLE BLOWER POLICY**

Pursuant to Section 177(9) of Companies Act 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has formulated a whistle blower mechanism for directors and employees to report concerns about unethical behavior, actual or suspected frauds or violation of the Company's code of conduct and ethics. The Audit Committee of the Board oversees the functioning of Whistle Blower Policy. The Whistle Blower Policy covering all employees and directors is available in the Company's website at [www.elnettechnologies.com](http://www.elnettechnologies.com)

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

The Company has not given any loans or guarantees covered under the provision of section 186 of the Companies Act, 2013. The details of the investments made by the Company are given in the notes to the financial statements which forms part of this Annual Report.

## **TWENTY EIGHTH ANNUAL REPORT 2018 - 19**

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### **RISK MANAGEMENT POLICY**

Pursuant to section 134(3)(n) of the Companies Act, 2013 the Company has framed Risk Management Policy which lays down the framework to define, assess, monitor and mitigate the business, operational, financial and other risks associated with the business of the Company. The Company has been addressing risks impacting the Company in Management Discussion and Analysis Report which forms part of this Annual Report.

During the year the Company has not identified any element of risk which may threaten the existence of the Company.

### **DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has Internal Complaints Committees as required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company firmly provides a safe, supportive and friendly workplace environment - a workplace where our values come to life through the underlying behaviours. Positive workplace environment and a great employee experience are integral parts of our culture.

During the year under review, there were no cases filed pursuant to the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013.

### **MATERIAL CHANGES AND COMMITMENTS**

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this Report.

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

During the financial year, the Company has not entered into any new contracts / arrangements with related parties which qualify as material in accordance with the Policy of the Company on materiality of related party transactions.

There are no materially significant related party transactions that may have potential conflict with interest of the company at large.

The details of the related party transactions as per Indian Accounting Standards (Ind AS) - 24 is set out in Note No. 40 to the Financial Statements of the Company.

Form AOC-2 pursuant to Section 134 (2) (h) of the Companies Act, 2013 read with Rule 8 (2) of the Companies (Accounts) Rules, 2014 is set out the **ANNEXURE - II** to the report.

The policy on Related Party Transactions as approved and can be accessed at website of the company [www.elnettechnologies.com](http://www.elnettechnologies.com)

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**REPORT AS PER SECTION 134 READ WITH RULE 8 AND SUB RULE 5 OF COMPANIES ACCOUNTS RULES 2014**

Change in nature of business, if any: NIL

Name of Companies which have become or ceased to be its subsidiaries, Joint Ventures or associate companies during the year: NA

**DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE.**

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.

**INTERNAL CONTROL AND SYSTEMS AND THEIR ADEQUACY**

The Company has an adequate internal control system which commensurate with the size, scale and complexity of its operations. The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and there by strengthen the controls. A report of Auditors pursuant to Section 143(3) (i) of the Companies Act, 2013 certifying the adequacy of Internal Financial Controls is annexed with the Auditors report.

**DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS**

The auditors of the Company has stated that during the course of their audit, there were no material fraud by the Company or on the Company by its officers or employees noticed or reported in Independent Auditors Report which forms part of this Report. Hence, there is no requirement arises to report the same to Audit Committee or Board of Directors of the Company.

**PERSONNEL**

Employee relations have been very cordial during the financial year ended 31st March, 2019. The Board wishes to place on record its appreciation to all the employees in the Company for their sustained efforts and immense contribution to the high level of performance and growth of the business during the year. The Management team of the Company comprises of experienced passionate driven professionals committed to the organizational goals.

## TWENTY EIGHTH ANNUAL REPORT 2018 - 19

### ACKNOWLEDGEMENT

Your Directors gratefully acknowledge the continued support and co-operation of Government of Tamil Nadu, Electronics Corporation of Tamil Nadu Ltd., (ELCOT).

The Directors also thank the Bankers, Axis Bank - Thiruvananthapuram Branch, State Bank of India - Industrial Finance Branch, Chennai, Canara Bank - Tidel Park Branch, Axis Bank - Chennai Main Branch, Mylapore and the Company's customers, dealers, vendors and sub-contractors for their valuable support and assistance extended during the year.

The Directors wish to place on record their appreciation of the good work done by all the employees of the Company during the year under review.

For and on behalf of the Board of Directors,

Place : Chennai  
Date : 27<sup>th</sup> May, 2019

**Tmt Unnamalai Thiagarajan**  
Managing Director  
DIN: 00203154

**Thiru N. Srivathsa Desikan**  
Non-Executive Director  
DIN: 08205725

### ANNEXURE - I TO BOARD'S REPORT

#### PARTICULARS OF EMPLOYEES:

**A. Disclosure with respect to the remuneration of Directors and employees as required under Section 197 of the Companies Act, 2013 and Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, 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 2018-19:

Name of Directors	Designation	Ratio to median remuneration
Unnamalai Thiagarajan	Managing Director	2.63

- b) Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2018-19.

Name	Designation	% increase in remuneration in financial year 2018-19
Unnamalai Thiagarajan	Managing Director	NIL
*E. Kamakshi	Chief Financial Officer	45%
T. Joswa Johnson	Company Secretary	NIL

\* Appointed as Chief Financial Officer w.e.f. 9th Feb, 2018 at the meeting of Board of Directors held on 9th Feb, 2018.

- c) Percentage increase in the median remuneration of employees in the financial year 2018-19: 8.02%
- d) The number of permanent employees on the rolls of the company: Eleven.
- e) 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 any exceptional circumstances for increase in the managerial remuneration:

The average increase in salaries of employees other than managerial personnel in 2018-19 was 1.70%. Percentage increase in managerial remuneration excluding MD for the year was 31.76% and there were no increase in remuneration of the Managing Director. The increase in remunerations is in line with the market trends.

The Company affirms that the remuneration is as per the Remuneration Policy of the Company.

**B. Information as per Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & 5(3) The Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014 forming part of the Boards Report for the year ended March 31, 2019**

The permanent employees on the role of the company is less than the requirement of the statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & 5(3) The Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014. Any shareholder interested to obtain the details of the same may send a request to the Company.

For and on behalf of the Board of Directors,

Place : Chennai  
Date : 27<sup>th</sup> May, 2019

**Tmt Unnamalai Thiagarajan**  
Managing Director  
DIN: 00203154

**Thiru N. Srivathsa Desikan**  
Non-Executive Director  
DIN: 08205725

## TWENTY EIGHTH ANNUAL REPORT 2018 - 19

### ANNEXURE - II TO BOARD'S REPORT

#### 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)**

**1. Details of contracts or arrangements or transactions not at arm's length basis.**

**NIL**

**2. Details of material contracts or arrangements or transactions at arm's length basis.**

S.No.	Particulars	Details
a)	Name (s) of the related party	Electronic Corporation of Tamil Nadu Ltd (ELCOT)
b)	Nature of Relationship	Joint Venture company holding 26% Equity capital of the company
c)	Nature of contracts/ arrangements/transactions	Leasing of land (lease taken)
d)	Duration of the contracts/arrangements/ transactions	90 Years
e)	Salient terms of the contracts or arrangements or transactions including the value, if any	Leasing of land for 90 Years with effect from 14.01.99
f)	Amount paid as advances, if any	Rs. 8,60,73,026/- (Outstanding as on 31st March 2019 as per Ind AS)

**Notes :** During the financial year, the Company has not entered into any new contracts / arrangements with related parties which qualify as material in accordance with the Policy of the Company on materiality of related party transactions.

The details of the related party transactions as per Indian Accounting Standards (Ind AS) – 24 are set out in Note No. 40 to the Financial Statements of the Company.

For and on behalf of the Board of Directors,

Place : Chennai  
Date : 27<sup>th</sup> May, 2019

**Tmt Unnamalai Thiagarajan**  
Managing Director  
DIN: 00203154

**Thiru N. Srivathsa Desikan**  
Non-Executive Director  
DIN: 08205725

## ANNEXURE - III TO BOARD'S REPORT

Form No. MGT-9

### EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2019

**[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 : Elnet Technologies Limited
- iv. Category / Sub-Category of the Company : Company Limited by shares / Non-Govt Company
- v. Address of the Registered office and contact details : Elnet Software City  
TS 140 Block 2&9, Rajiv Gandhi Salai,  
Taramani, Chennai - 600 113.  
Email: elnetcity@gmail.com  
Contact: 044 22541971
- vi. Whether listed company : Yes
- vii. Name, Address and Contact details of Registrar and Transfer Agent, if any : 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:

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Real estate activities with own or leased property (Developing & Maintaining software technology park)	68100	100

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

S. No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
NOT APPLICABLE					

## TWENTY EIGHTH ANNUAL REPORT 2018 - 19

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

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

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. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt (s)	1040006	0	1040006	26.00	1040006	0	1040006	26.00	0.00
d) Bodies Corp.	704372	0	704372	17.61	704372	0	704372	17.61	0.00
e) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other...	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total (A)(1)</b>	<b>1744378</b>	<b>0</b>	<b>1744378</b>	<b>43.61</b>	<b>1744378</b>	<b>0</b>	<b>1744378</b>	<b>43.61</b>	<b>0.00</b>
<b>(2) Foreign</b>									
a) NRIs-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other....	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>1744378</b>	<b>0</b>	<b>1744378</b>	<b>43.61</b>	<b>1744378</b>	<b>0</b>	<b>1744378</b>	<b>43.61</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks/ FI	369483	0	369483	9.24	369483	0	369483	9.24	0.00
c) Central Govt	0	0	0	0.0	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total (B)(1)</b>	<b>369483</b>	<b>0</b>	<b>369483</b>	<b>9.24</b>	<b>369483</b>	<b>0</b>	<b>369483</b>	<b>9.24</b>	<b>0.00</b>
<b>(2) Non-institutions</b>									
a) Bodies Corp.									
i) Indian	43077	9700	52777	1.32	19996	5000	24996	0.62	(0.69)
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	962794	166772	1129566	28.24	950562	142372	1092934	27.32	(0.92)
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	528116	0	528116	13.20	588762	0	588762	14.72	1.52



c) Others (specify)									
IEPF	61975	0	61975	1.55	81047	0	81047	2.02	0.48
Hindu undivided Family	78269	0	78269	1.96	71170	0	71170	1.78	(0.18)
Non Resident Indians	33113	0	33113	0.83	26675	0	26675	0.67	(0.16)
Clearing Member	2330	0	2330	0.06	562	0	562	0.01	(0.04)
<b>Sub-Total (B)(2)</b>	<b>1709674</b>	<b>176472</b>	<b>1886146</b>	<b>47.16</b>	<b>1738774</b>	<b>147372</b>	<b>1886146</b>	<b>47.14</b>	<b>0.00</b>
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>2079157</b>	<b>176472</b>	<b>2255629</b>	<b>56.4</b>	<b>2108257</b>	<b>147372</b>	<b>2255629</b>	<b>56.38</b>	<b>0.00</b>
<b>C. Shares held Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>3823535</b>	<b>176472</b>	<b>4000007</b>	<b>100.00</b>	<b>3852635</b>	<b>147372</b>	<b>4000007</b>	<b>100.00</b>	<b>0.00</b>

## (ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Shareholding during the year
		No. of shares	% of total shares of the company	% of Shares Pledged/encumbered to total shares	No. of shares	% of total shares of the company	% of Shares Pledged/encumbered to total shares	
1	ELECTRONICS CORPORATION OF TAMILNADU LTD	1040006	26.00	0.00	1040006	26.00	0	0.00
2	STUR TECHNOLOGIES PVT LTD	450000	11.25	0.00	450000	11.25	0	0.00
3	SOUTHERN PROJECTS MANAGEMENT PVT LTD	254371	6.36	0.00	254371	6.36	0	0.00
4	STUR PROJECTS MANAGEMENT PVT LTD	1	0.00	0.00	1	0.00	0	0.00
<b>Total</b>		<b>1744378</b>	<b>43.61</b>	<b>0</b>	<b>1744378</b>	<b>43.61</b>	<b>0</b>	<b>0.00</b>

## (iii) Change in Promoters' Shareholding (please specify, if there is no change)

S. No.	Shareholder's Name	Shareholding at the beginning of the year		Date of Increase / decrease	Reason for Increase/ decrease	No of Shares	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of Shares	% of total Shares of the Company
1	ELECTRONICS CORPORATION OF TAMILNADU LTD	1040006	26.00				1040006	26.00
				-	No Change	0	0	0.00
				31-Mar-2019	At the end of the year	0	1040006	26.00
2	STUR TECHNOLOGIES PVT LTD	450000	11.25				450000	11.25
				-	No Change	0	0	0.00
				31-Mar-2019	At the end of the year	0	450000	11.25
3	SOUTHERN PROJECTS MANAGEMENT PVT LTD	254371	6.36				254371	6.36
				-	No Change	0	0	0.00
				31-Mar-2019	At the end of the year	0	254371	6.36
4	STUR PROJECTS MANAGEMENT PVT LTD	1	0.00				1	0.00
				-	No Change	0	0	0.00
				31-Mar-2019	At the end of the year	0	1	0.00

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### (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date of Increase / decrease	Reason for Increase/ decrease	No of Shares	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of Shares	% of total Shares of the Company
1	IDBI BANK LTD	369483	9.24			0	369483	9.24
				-	No Change	0	0	0.00
				31-Mar-2019	At the end of the year	0	369483	9.24
2	SUBRAMANIAN P	134350	3.36				134350	3.36
				-	No Change	0	0	0.00
				31-Mar-2019	At the end of the year	0	134350	3.36
3	IEPF-MCA	61975	1.55				61200	1.53
				20-Apr-2018	Transfer of shares to IEPF 2009-2010	8822	70797	1.77
				28-Sep-2018	Transfer of shares to IEPF 2010-11	10250	81047	20.2
				31-Mar-2019	At the end of the year	19072	81047	20.2
4	VINAY RAO K	62200	1.55				62200	1.55
				06-July-2018	Purchase	400	62600	1.56
				31-Mar-2019	At the end of the year	400	62600	1.56
5	VINAY KUMAR	0	0				0	0.00
				22-June-2018	Purchase	4968	4968	0.12
				29-June-2018	Purchase	5032	10000	0.25
				10-Aug-2018	Sale	(488)	9512	0.24
				17-Aug-2018	Purchase	10488	20000	0.50
				12-Oct-2018	Purchase	1560	21560	0.54
				19- Oct-2018	Purchase	1109	22669	0.57
				2-Nov-2018	Purchase	172	22841	0.57
				16-Nov-2018	Purchase	7159	30000	0.75
				23-Nov-2018	Purchase	4686	34686	0.87
				30-Nov-2018	Purchase	150	34836	0.87
				07-Dec-2018	Purchase	164	35000	0.87
				14-Dec-2018	Purchase	3350	38350	0.96
				4-Jan-2018	Purchase	353	38703	0.97
				18-Jan-2018	Purchase	440	39143	0.98
				25-Jan-2018	Purchase	857	40000	1.00
				01-Feb-2019	Purchase	5000	45000	1.12
				15-Feb-2019	Purchase	5000	50000	1.25
				31-Mar-2019	At the end of the year	50000	50000	1.25

6	NISHITH RAMESH PARIKH	45264	1.13				45264	1.13
				-	No Change	0	0	0.00
				31-Mar-2019	At the end of the year	0	45264	1.13
7	MITA DIPAK SHAH JT1 : DIPAK KANAYALAL SHAH JT2 : SHARAD KANAYALAL SHAH	40000	0.99				40000	0.99
				-	No Change	0	0	0.00
				31-Mar-2019	At the end of the year	0	40000	0.99
8	ARUN MITTAL	37803	0.95				37803	0.95
					No Change	0	0	0
				31-Mar-2019	At the end of the year	0	37803	0.95
9	JIGAR HASMUKH SAVLA JT1 : HASMUKH RAVJI SAVLA	15517	0.39				15517	0.39
				18-May-2018	Purchase	1472	16989	0.42
				25-May-2018	Purchase	2436	19425	0.49
				15-June-2018	Purchase	98	19523	0.49
				22-June-2018	Purchase	452	19975	0.50
				29-June-2018	Purchase	759	20734	0.52
				6-July-2018	Purchase	101	20835	0.52
				20-July-2018	Purchase	350	21185	0.53
				3-Aug-2018	Purchase	1212	22397	0.56
				17-Aug-2018	Purchase	334	22731	0.57
				31-Aug-2018	Purchase	215	22946	0.57
				14-Sep-2018	Purchase	54	23000	0.57
				28-Sep-2018	Purchase	881	23881	0.60
				5-Oct-2018	Purchase	700	24581	0.61
				12-Oct-2018	Purchase	19	24600	0.61
				16-Nov-2018	Purchase	1930	26530	0.66
				23-Nov-2018	Purchase	170	26700	0.67
				22-Feb-2019	Purchase	10090	36790	0.92
				31-Mar-2019	At the end of the year	21273	36790	0.92
10	VARSHA RAMESH PARIKH	40103	1.00				40103	1.00
				20-Apr-2018	Sale	(1270)	38833	0.97
				27-Apr-2018	Sale	(2639)	36194	0.90
				4-Apr-2018	Sale	(1750)	34444	0.86
				11-Apr-2018	Sale	(2000)	32444	0.81
				18-Apr-2018	Sale	(1305)	31139	0.79
				25-Apr-2018	Sale	(1020)	30119	0.75
				31-Mar-2019	At the end of the year	(9984)	30119	0.75

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

S. No.	For each of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Date of Increase decrease	Reason for Increase/ decrease	No of Shares	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of Shares	% of total Shares of the Company
	<b>DIRECTORS</b>							
1	UNNAMALAI THIAGARAJAN	500	0.01				500	0.01
					No change	0	500	0.01
				31-Mar-2019	At the end of the year	0	500	0.01
2	CHAKKOLATH RAMACHANDRAN	0	0.00	-		0	0	0.00
					No change	0	0	0.00
				31-Mar-2019	At the end of the year	0	0	0.00
3	RAVI JANAKIRAMAN	0	0.00	-		0	0	0.00
					No change	0	0	0.00
				31-Mar-2019	At the end of the year	0	0	0.00
4	M. VIJAYAKUMAR IAS (w.e.f 25-May-2018)	0	0.00	-		0	0	0.00
					No change	0	0	0.00
				31-Mar-2019	At the end of the year	0	0	0.00
5	N. SRIVATHSA DESIKAN (w.e.f 9-Aug-2018)	0	0.00	-		0	0	0.00
					No change	0	0	0.00
				31-Mar-2019	At the end of the year	0	0	0.00
6	H. KARTHIK SESHADRI	0	0.00	-		0	0	0.00
					No change	0	0	0.00
				31-Mar-2019	At the end of the year	0	0	0.00
7	R. GANAPATHI	0	0.00	-		0	0	0.00
					No change	0	0	0.00
				31-Mar-2019	At the end of the year	0	0	0.00
8	V. DHARMALINGAM	0	0.00	-		0	0	0.00
					No change	0	0	0.00
				31-Mar-2019	At the end of the year	0	0	0.00
9	G. CHELLAKRISHNA	0	0.00	-		0	0	0.00
					No change	0	0	0.00
				31-Mar-2019	At the end of the year	0	0	0.00
10	G. SENRAYA PERUMAL	0	0.00	-		0	0	0.00
					No change	0	0	0.00
				31-Mar-2019	At the end of the year	0	0	0.00
11	B. EVANESAN (Upto 07-Feb-2019)	0	0.00	-		0	0	0.00
					No change	0	0	0.00
				31-Mar-2019	At the end of the year	0	0	0.00

12	K. KASIM IPS (RETD)	0	0.00	-		0	0	0.00
					No change	0	0	0.00
				31-Mar-2019	At the end of the year	0	0	0.00
13	A.P. RADHAKRISHNAN	0	0.00	-		0	0	0.00
					No change	0	0	0.00
				31-Mar-2019	At the end of the year	0	0	0.00
<b>KEY MANAGERIAL PERSONNEL</b>								
1	E. Kamakshi Chief Financial Officer	0	0.00	-		0	0	0.00
					No change	0	0	0.00
				31-Mar-2019	At the end of the year	0	0	0.00
2	T. Joswa Johnson Company Secretary	0	0.00	-		0	0	0.00
					No change	0	0	0.00
				31-Mar-2019	At the end of the year	0	0	0.00

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Rs. In Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i. Principal amount	0.00	426.34	0.00	426.34
ii. Interest due but not paid	0.00	0.00	0.00	0.00
iii. Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	0.00	<b>426.34</b>	0.00	<b>426.34</b>
<b>Change in Indebtedness during the financial year</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
• Addition	0.00	0.00	0.00	0.00
• Reduction	0.00	0.00	0.00	0.00
<b>Net Change</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Indebtedness at the end of the financial year</b>				
i. Principal amount	0.00	426.34	0.00	426.34
ii. Interest due but not paid	0.00	0.00	0.00	0.00
iii. Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	<b>0.00</b>	<b>426.34</b>	<b>0.00</b>	<b>426.34</b>

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

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Rs. in Lakhs)

Sl. No.	Particulars of Remuneration	Unnamalai Thiagarajan (Managing Director)
1	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of Perquisites u/s 17(2) Income –tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	14.00 Nil Nil
2	Stock Option	Nil
3	Sweat Equity	Nil
4	Commission -as % of profit -others, specify	Nil
5	Others, please specify	Nil
	<b>Total (A)</b>	<b>14.00</b>
	Ceiling as per the Act	5% of Net Profit of the Company calculated as per Section 198 of the Companies Act, 2013

#### B. Remuneration to other directors:

S. No.	Name of independent Directors	Fee for attending Board / Committee Meetings	Commission	Others, Please specify	Total (Rs. in Lakhs)
1	G. Chellakrishna	0.70	Nil	Nil	0.70
2	H. Karthik Seshadri	1.89	Nil	Nil	1.89
3	R. Ganapathi	0.42	Nil	Nil	0.42
4	V. Dharmalingam	0.07	Nil	Nil	0.07
5	K. Kasim	0.77	Nil	Nil	0.77
6	G. Senrayaperumal	0.42	Nil	Nil	0.42
7	A.P Radhakrishnan	0.00	Nil	Nil	0.00
	<b>TOTAL (B1)</b>				<b>4.27</b>

S. No.	Name of Non-Executive Directors	Fee for attending Board / Committee Meetings	Commission	Others, Please specify	Total (Rs. in Lakhs)
8	C. Ramachandran	1.82	Nil	Nil	1.82
9	J. Ravi	0.84	Nil	Nil	0.84
10	*M. Vijayakumar	0.14	Nil	Nil	0.14
11	*R. Madhavan	0.07	Nil	Nil	0.07
12	*N. Srivathsa Desikan	0.63	Nil	Nil	0.63
13	*B. Evanesan	0.07	Nil	Nil	0.07
	<b>TOTAL (B2)</b>				<b>3.57</b>
	<b>TOTAL: B (B1 + B2)</b>				<b>7.84</b>
	<b>Total Managerial Remuneration (A+B)</b>				<b>21.84</b>

\* This sitting fee was paid to the Directors in the name of representing entity (ELCOT)

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD  
(Rs. In Lakhs)**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		CFO	CS	
		E. Kamakshi	T. Joswa Johnson	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12.86	5.46	<b>18.32</b>
	(b) Value of Perquisites u/s 17(2) Income –tax Act, 1961	0.15	-	<b>0.15</b>
	(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	1.11	0.44	<b>1.55</b>
	<b>Total</b>	<b>14.12</b>	<b>5.90</b>	<b>20.02</b>

**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	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>B.DIRECTORS</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C.OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

For and on behalf of the Board of Directors,

Place : Chennai  
Date : 27<sup>th</sup> May, 2019

**Tmt Unnamalai Thiagarajan**  
Managing Director  
DIN: 00203154

**Thiru N. Srivathsa Desikan**  
Non-Executive Director  
DIN: 08205725

**ANNEXURE - IV TO BOARD'S REPORT**  
**REPORT ON CORPORATE SOCIAL RESPONSIBILITIES**

**1. A BRIEF OUTLINE OF THE COMPANY'S CSR POLICY, INCLUDING OVER VIEW OF PROJECTS / PROGRAMMES UNDERTAKEN**

As per the Companies Act, 2013, Elnet Technologies Limited has a policy on Corporate Social Responsibility (hereinafter referred as CSR) which requires the company to spend atleast 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 on the website [www.elnettechnologies.com](http://www.elnettechnologies.com)

**2. COMPOSITION OF THE CSR COMMITTEE OF THE BOARD**

S. No.	Name	Category	Designation
1.	Thiru J. Ravi	Non-Executive Director	Chairman
2.	Thiru H. Karthik Seshadri	Non-Executive Independent Director	Member
3.	Thiru N. Srivathsa Desikan (w.e.f 9th August, 2018)	Non-Executive Director	Member

**3. AVERAGE NET PROFIT OF THE COMPANY FOR LAST THREE FINANCIAL YEARS**

Average net profit of the Company for last three financial years (2016, 2017 and 2018) calculated in accordance with the provisions of Section 198 of the Companies Act, 2013 is Rs.1139.64 lacs.

**4. PRESCRIBED CSR EXPENDITURE (TWO PERCENT OF THE AMOUNT AS IN ITEM 3 ABOVE)**

Two percent of the average net profit for last three financial years is Rs.22.79 Lacs

**5. DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR:**

- a) Total amount to be spent for the financial year: Rs.22.79 Lacs
- b) Amount unspent, if any: NIL



c) Manner in which the amount spent during the financial year is detailed below.

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 program wise (Rs. In lacs)	Amount spent on the Projects or Programs Sub-heads: (1) Direct Expenditure on projects or programs (2) Overheads (Rs. In lacs)	Cumulative expenditure upto to the reporting period (Rs. In lacs)	Amount spent:  Direct or through implementing agency
Kerala Flood Relief	Disaster Management including relief, rehabilitation and reconstruction activities	Kerala	22.79	22.79	22.79	Implementing Agency: Deesaya seva bharathi keralam
<b>TOTAL</b>			<b>22.79</b>	<b>22.79</b>	<b>22.79</b>	

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report- NOT APPLICABLE
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

The Board of Directors and its CSR Committee are whole-heartedly committed to fulfilling the Company's Corporate Social Responsibilities to be a trusted partner while striving to contribute to a safer and better quality of life.

For and on behalf of the Board of Directors,

Place : Chennai  
Date : 27<sup>th</sup> May, 2019

**Tmt Unnamalai Thiagarajan**  
Managing Director  
DIN: 00203154

**Thiru N. Srivathsa Desikan**  
Non-Executive Director  
DIN: 08205725

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### **ANNEXURE-V TO BOARD'S REPORT**

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

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

Your company is engaged in developing and maintaining an integrated software technology park 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 Board, 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**

The Company has only one reportable segment in accordance with Ind AS 108 as "Operating Segments". Hence, Segment wise / product wise performance is not applicable to your company.

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

The Company has an adequate internal control system which commensurate with the size, scale and complexity of its operations. The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and there by strengthen the controls. A report of Auditors pursuant to Section 143(3) (i) of the Companies Act, 2013 certifying the adequacy of Internal Financial Controls is annexed with the Auditors report.

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

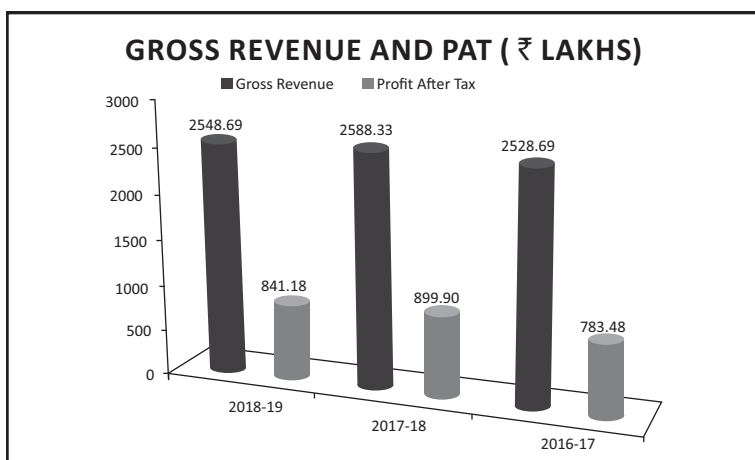
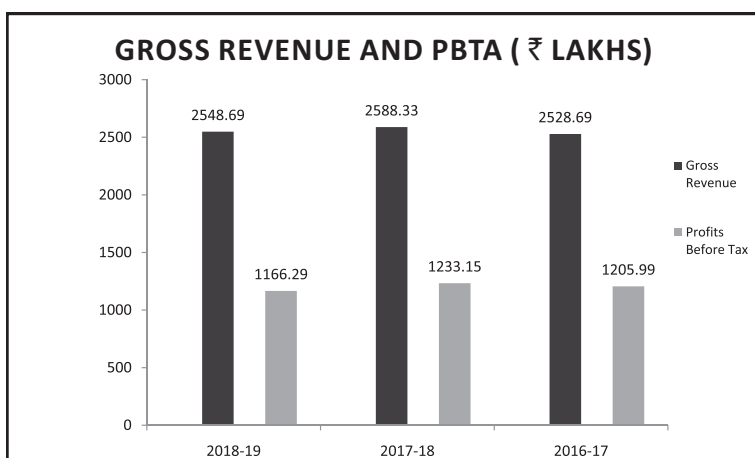
its Roleseven employees (excluding Managing Director) and the rest of the operations are carriedthrough outsourcing.

## FINANCIAL PERFORMANCE WITH REFERENCE TO OPERATIONAL PERFORMANCE

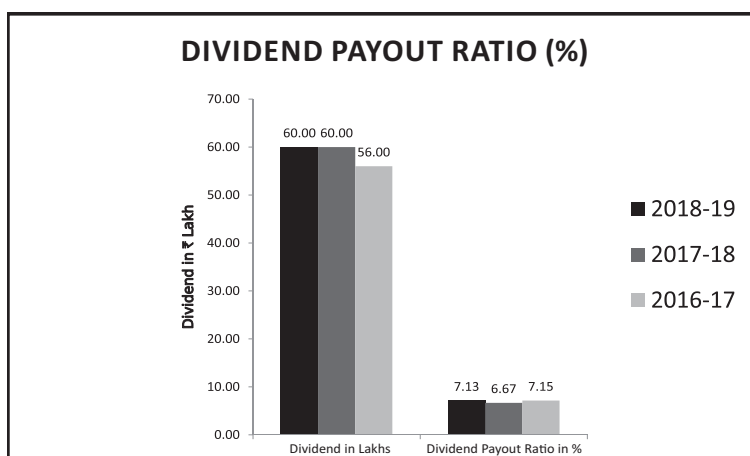
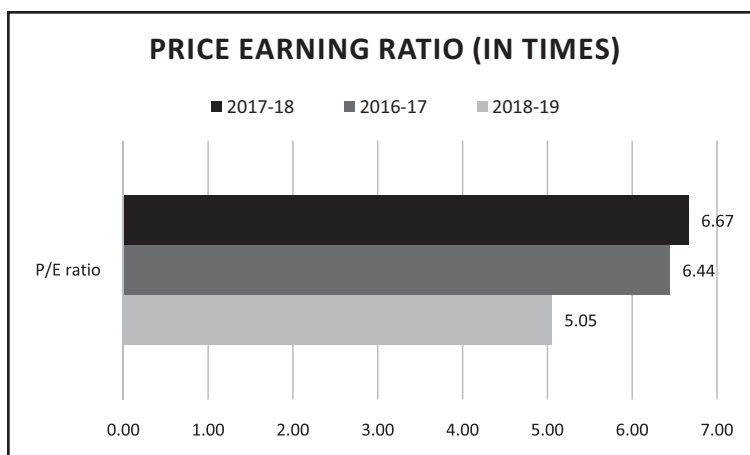
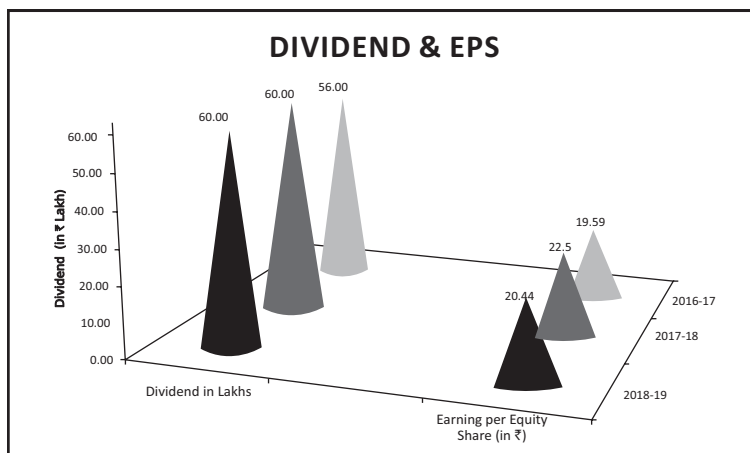
The financial performance with reference to the operation of the company is detailed in the Board's Report (please refer page no.26).

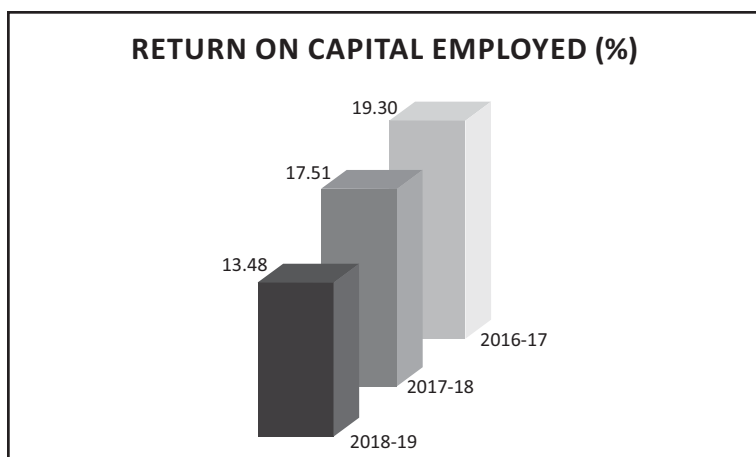
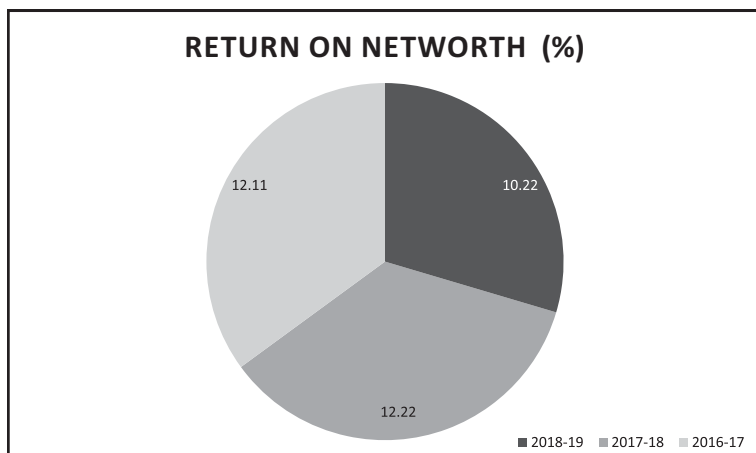
The comparison for the past ten years financial highlights is provided in the annual report (please refer page no.2).

## TRENDS ON FINANCIAL AND OPERATIONAL PERFORMANCE



## TWENTY EIGHTH ANNUAL REPORT 2018 - 19





## DISCLAIMER

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 perceptions.

## **TWENTY EIGHTH ANNUAL REPORT 2018 - 19**

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### **ANNEXURE-VI TO BOARD'S REPORT**

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

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

We have examined the all relevant records of Elnet Technologies Limited ("the Company") the purpose of certifying compliance of conditions of Corporate Governance under Chapter IV read with Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 for the financial year ended on March 31, 2019.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the company for ensuring the 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 with the conditions of Corporate Governance as stipulated in Chapter IV read with Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) 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  
ACS No.10798  
CP No. : 8315

Place : Chennai  
Date : 27th May, 2019

## **REPORT ON CORPORATE GOVERNANCE**

### **1. STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE**

The Board and Management of Elnet Technologies Limited believe that operating to the highest level of transparency and integrity in everything we do is integral to the culture of our Company. The Company established the culture of ensuring that all our activities are for the mutual benefit of the Company and all our stakeholders comprising customers, regulators, employees, shareholders and the communities at large to whom the Company is privileged to serve. The Board and management of Elnet Technologies Limited are committed to the highest standards of accountability, transparency, social responsiveness, operational efficiency and good ethics following the strong legacy.

The Company's policies, practices and philosophy adopted since inception are in line with Corporate Governance. These policies, practices are required periodically to ensure its effective compliance. The composition of Board of Directors is well balanced with a view to manage the affairs of the Company efficiently and professionally.

The Company is committed to sound Corporate Governance practices and compliance with all applicable laws and regulations. The company has implemented corporate governance practices that go beyond just meeting the letter of law and has not only adopted practices mandated in the Listing Regulations, but also incorporated the relevant non-mandatory recommendations.

### **2. BOARD OF DIRECTORS**

The Board of Directors has an ideal combination of Executive and Non-Executive Directors and is in conformity with the provisions of Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The day-to-day management of the company is carried by Tmt Unnamalai Thiagarajan, Managing Director and Woman Director of the company.

All independent directors possess the requisite qualifications and are very experienced in their own fields. Pursuant to provisions of Companies Act, 2013 and Articles of Association of the Company all the Directors except the Chairman, Managing Director, and Independent Directors are eligible to retire by rotation. Annual disclosures have been obtained from all the directors regarding their directorship as at 31st March, 2019 and the same has been taken on record by the Board.

## TWENTY EIGHTH ANNUAL REPORT 2018 - 19

### a) Board composition and category of Directors

The Composition of the Board of Directors and category of them are as follows:

S. No.	Name of the Director	DIN	Designation	Category
1	Thiru M. Vijayakumar IAS., (w.e.f 25th May, 2018)	08128389	Chairman	NENID (Representing ELCOT - 26% equity Investor)
2	Tmt Unnamalai Thiagarajan	00203154	Managing Director	ED & Women Director
3	Thiru C. Ramachandran, IAS (Retd)	00050893	Director	NENID
4	Thiru J.Ravi	00042953	Director	NENID
5	Thiru R. Madhavan	02345801	Director	NENID (Representing ELCOT - 26% equity Investor)
6	Thiru N. Srivathsa Desikan	08205725	Director	NENID (Representing ELCOT - 26% equity Investor)
7	Thiru G. Chellakrishna	01036398	Independent Director	NEID
8	Thiru R. Ganapathi	00103623	Independent Director	NEID
9	Thiru H. Karthik Seshadri	00203319	Independent Director	NEID
10	Thiru G. Senrayaperumal	01458026	Independent Director	NEID
11	Thiru K. Kasim, Retd., IPS	01458026	Independent Director	NEID
12	Thiru A.P Radhakrishnan (w.e.f 2nd March, 2019)	03642690	Independent Director	NEID

NENID - Non Executive Non Independent Director

NEID - Non Executive Independent Director

ED - Executive Director



**b) Attendance of Directors at Board meeting and last Annual General Meeting (AGM)**

S. No.	Name of the Director	No.of Board Meetings held during their tenure	No.of Board Meetings attended	Attendance at the last AGM
1	Thiru M. Vijayakumar, IAS (w.e.f 25th May, 2018)	6	2	Yes
2	Tmt Unnamalai Thiagarajan	6	4	Yes
3	Thiru C. Ramachandran, IAS, (Retd)	6	6	Yes
4	Thiru J. Ravi	6	2	No
5	Thiru B. Evanesan (Upto7th Feb, 2019)	5	1	Yes
6	Thiru N. Srivathsa Desikan	5	5	Yes
7	Thiru R. Madhavan (w.e.f. 7th Feb, 2019)	1	1	NA
8	Thiru R. Ganapathi	6	2	No
9	Thiru H. Karthik Seshadri	6	5	Yes
10	Thiru G. Senrayaperumal	6	5	Yes
11	Dr. V. Dharmalingam (Upto 2nd March, 2019)	6	1	No
12	Thiru K. Kasim, IPS (Retd)	6	6	Yes
13	Thiru G. Chellakrishna	6	5	Yes
14	Thiru A. P Radhakrishnan (w.e.f. 2nd March, 2019)	0	0	NA

**c) Number of other board of directors or committees in which the directors are member or chairperson in listed entities**

Sl. No.	Name of the Director	*Number of Directorship	**Number of Membership	***Number of Chairmanship
1	Thiru M. Vijayakumar IAS., (w.e.f 25th May, 2018)	0	0	0
2	Tmt Unnamalai Thiagarajan	0	0	0
3	Thiru C. Ramachandran, IAS., (Retd)	1	4	3
4	Thiru J. Ravi	0	0	0
5	Thiru N. Srivathsa Desikan	0	0	0

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6	Thiru R. Madhavan (w.e.f 7th Feb, 2019)	0	0	0
7	Thiru B. Evanesan (Upto 7th Feb, 2019)	0	0	0
8	Thiru R. Ganapathi	2	6	1
9	Thiru H. Karthik Seshadri	0	0	0
10	Thiru G. Senrayaperumal	0	0	0
11	Dr. V. Dharmalingam (Upto 2nd Mar, 2019)	0	0	0
12	Thiru K. Kasim, IPS (Retd.,)	0	0	0
12	Thiru G. Chellakrishna	1	1	1
13	Thiru A. P Radhakrishan	0	0	0

### Notes:

\* Number of Directorship held denotes No. of Directorship in listed entities (excluding Elnet Technologies limited).

\*\*Number of memberships denotes membership in Audit/Stakeholder relationship Committee in all listed entities (excluding Elnet Technologies limited).

\*\*\*Number of chairmanship denotes chairmanship in Audit / Stakeholder relationship Committee in listed companies (excluding Elnet Technologies Limited).

### The name of other listed entities where the person is a director and the category of directorship

Name of Director	Name of Listed entities	Category of directorship
Thiru M. Vijayakumar IAS., (w.e.f 25th May, 2018)	-	-
Tmt Unnamalai Thiagarajan	-	-
Thiru C. Ramachandran, IAS., (Retd)	Tulsyan Nec Limited	Non Executive Independent Director
Thiru J. Ravi	-	-
Thiru N. Srivathsa Desikan	-	-
Thiru R. Madhavan (w.e.f 7th Feb, 2019)	-	-
Thiru B. Evanesan (Upto 7th Feb, 2019)	-	-
Thiru R. Ganapathi	Orient Green Power Company Limited	Non- Executive - Independent Director
	Trigyn Technologies Limited	Executive Director

**d) Number and Dates of meetings of Board of Directors held and dates on which held**

During the financial year ended 31st March 2019, 6 (five) board meetings were held viz., 25th May, 2018, 09th August, 2018, 12th September, 2018, 09th November, 2018, 29th November, 2018 and 07th February, 2019. The maximum interval between any two meetings was well within the maximum allowed gap of 120 days.

The date and timings of Board/Committee Meetings are pre-scheduled based on their availability confirmation circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings.

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. The Agenda for the Board and Committee meetings include detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision. All the information required for decision making are incorporated in the agenda. Those are not included in the agenda are tabled at the meeting. The Board taking on record the actions taken by the company on all its decisions periodically. The Board also taking on record the compliances made by the company secretary and the chief financial officer of all laws on a quarterly basis.

The Board also taking on record the compliances made by the company secretary and the chief financial officer of all laws on a quarterly basis.

**Board Support**

The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration. The Company Secretary is also responsible for preparation of the Agenda and convening of the Board and Committee meetings. The Company Secretary attends all the meetings of the Board and its Committees, in the capacity of Secretary of the Committees, assures the Board following the Compliance and Governance principles and ensures appropriate recording of minutes of the meetings.

**E) Disclosure of relationship between the Directors inter-se**

None of the Board of Directors is related to each other.

**F) Details of shares and convertible instruments held by non- executive directors**

None of the non-executive directors including Independent directors holds any equity shares in the Company as on the financial year ended 31st March 2019 and the Company has not issued any convertible instruments.

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### **G) Familiarization Programmers of Independent Director**

The Independent directors are provided with necessary documents, reports, internal policies, documents and brouchers enabling them to familiarize with the Company's systems, procedures and practices. During every meeting of the Board and committees, periodical presentations are made on the business updates, strategies, performances and related risks involved. The details of such familiarization programmes for the Independent Directors are posted on the website of the Company [www.elnettechnoloiges.com](http://www.elnettechnoloiges.com)

### **h) A chart or a matrix setting out the skills/expertise/competence of the board of directors specifying the list of core skills/expertise/competencies identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board**

The Board of Directors of our company comprises professional members who bring in the required skills, competence and expertise in the field of Financial Management, Corporate Management and Governance, Leadership, Engineering (Projects) and Regulatory and Legal that allows them to make effective contributions to the Board and its committees. The Board members are committed to ensuring that the Board of Directors is in compliance with the highest standards of corporate governance.

While evaluating the Board as a whole, it was ensured that the existing board members have relevant core skills/expertise /competencies asrequired in the context of its business andsector(s) to function effectively.

<b>Skills</b>	<b>Description</b>
Financial Management	Practical knowledge and experience in Corporate Finance, accounting and reporting and internal financial controls,including strong ability to asses financial impact of decision making and ensure profitable and sustainable growth.
Corporate Management and Governance	Board level experience in reputed organisations, with strong understanding of and experience in directing the management in the best interests of the Company and its stakeholders and in upholding high standards of governance.
Leadership	Experience of playing leadership roles in large businesses, with competencies around strategy development & implementation, sales & marketing, business administration / operations and Organisations and people management
Engineering	Executive knowledge in the field of business process.
Regulatory and Legal	Strong expertise and experience in corporate law and regulatory compliance in India and overseas(including industry specific laws).

**i) Confirmation that in the opinion of the board, the independent directors fulfill the conditions specified in these regulations and are independent of the management.**

In opinion of the Board, the independent Directors of the Company fulfil the conditions specified in the SEBI Listing Regulations and are Independent in the Management of the Company.

**j) Detailed reasons for the resignation of an independent director who resigns before the expiry of his tenure along with a confirmation by such director that there are no other material reasons other than those provided.**

Dr. V Dharmalingam who was an independent Director of the Company resigned from the Board on 2nd March, 2019 before the expiry of his term as per the Companies Act, 2013 for personal reasons. The said director has confirmed that there are no material reasons for his resignation from the Company other than the reason that specified in the resignation letter.

### **3. AUDIT COMMITTEE**

**(a) Brief description of terms of reference**

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 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 held during the financial year 2018-19.

**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 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 relatives etc., that may have potential conflict with the interests of company at large.

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- 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

### (b) Composition of the Audit Committee

The composition of the Audit Committee is in accordance with the provisions of Section 177 of the Companies Act, 2013 and the rules made there under and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Composition of Audit Committee for the financial year ended 31st March 2019 was as follows.

S.No.	Name	Position	Category
1	Thiru G Chellakrishna	Chairman	Non-Executive-Independent Director
2	Thiru C Ramachandran IAS Retd.,	Member	Non-Executive-Non Independent Director
3	Thiru R Ganapathi	Member	Non-Executive-Independent Director
4	Thiru H Karthik Seshadri	Member	Non-Executive-Independent Director
5	Thiru K Kasim IPS (Retd)	Member	Non-Executive-Independent Director
6	Thiru N. Srivathsa Desikan (w.e.f 9th August, 2018)	Member	Non-Executive-Non independent Director

### (c) Meeting and attendance of Audit Committee

#### The dates of meeting held during the year under review

The members of Audit Committee met 04 (Four) times during the financial year ended 31st March, 2019. i.e., 25th May, 2018, 09th August, 2018, 09th November, 2018 and 07th February, 2019.

#### The particulars of attendance by the members of the Committee during the year under review

S.No.	Name	Position	No. of Meetings held	No. of Meetings attended
1	Thiru G Chellakrishna	Chairman	4	4
2	Thiru C Ramachandran IAS Retd.,	Member	4	4
3	Thiru R Ganapathi	Member	4	1
4	Thiru H Karthik Seshadri	Member	4	4
5	Thiru N. Srivathsa Desikan	Member	4	3
6	Thiru K Kasim IPS (Retd)	Member	4	4

The Company Secretary acts as the Secretary to the Committee. Mrs. E. Kamakshi Chief Financial Officer was present at the all the meetings held during the year. Mrs. Geetha Jeyakumar, Partner of M/s. MSKA & Associates, Statutory Auditors of the Company is regular invitee to the meeting. The Chairman of the Audit Committee was present at the Company's 27th Annual General Meeting held on 09th August, 2018 to answer the shareholders' queries.

#### **4) NOMINATION AND REMUNERATION COMMITTEE**

##### **a) Brief description of terms of reference**

The constitution of the committee is in compliance of Section 178 of the Companies Act, 2013, read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014 and Regulation 19 and Part D (Point A) of the Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The terms of reference of the committee are as follows:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees
2. Formulation of criteria for evaluation of performance of independent directors and the board of directors;
3. Devising a policy on diversity of board of directors.
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

##### **b) Composition of the Nomination and remuneration committee**

S.No.	Name	Position	Category
1	Thiru R. Ganapathi	Chairman	Non-Executive, Independent Director
2	Thiru C Ramachandran, IAS (Retd)	Member	Non-Executive- Non Independent Director
3	Thiru H Karthik Sheshadri	Member	Non-Executive, Independent Director

##### **c) Meetings and attendance details during the financial year**

##### **The dates of meeting held during the year underreview**

The members of Nomination and remuneration committee met 02 (Two) times during the financial year ended 31st March, 2019. i.e., 25th May, 2018 and 07th February, 2019.

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**The particulars of attendance by the members of the Committee during the year under review**

S.No.	Name	Position	No. of Meetings held	No. of Meetings attended
1	Thiru R. Ganapathi	Chairman	2	1
2	Thiru C Ramachandran, IAS (Retd)	Member	2	2
3	Thiru H Karthik Sheshadri	Member	2	2

### **d) Performance evaluation criteria for independent directors**

The Nomination and Remuneration Committee has devised criteria for evaluation of the performance of the Directors including Independent Directors. Their criteria provide for certain parameters below

- Attendance at Meetings - attendance at Board Meetings, General and Committee meetings.
- Other Directorships held by the Non-Executive Director in listed or unlisted companies
- Other companies in which Non Executive Director is a Chairperson
- Participation at Board/Committee meetings
- Input in strategy decisions
- Review of Financial Statements, risks and business performance
- Time devoted towards discussion with Management
- Review of Minutes - Board Minutes, Committee meeting minutes and AGM Minutes.

Aseparate 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 judgment, safeguarding the interest of the Company and its various stakeholders etc. The performance evaluation of the Independent Directors was carried out by the entire 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.

## **5. REMUNERATION TO DIRECTORS**

### **a) Pecuniary relationship or transaction of the Non-executive Directors**

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, 2018 except payment of sitting fees as disclosed below.



#### b) Criteria of 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 which can be accessed in website of the Company [www.elnettechnologies.com](http://www.elnettechnologies.com)

#### c) Disclosure with respect to remuneration

Disclosures with respect remuneration paid during the financial year ended 31st March, 2019 as per Companies Act, 2013:

##### Remuneration to Non-executive Directors

The details of remuneration (sitting fees) paid to non-executive directors during the financial year ended 31st March 2019 is given below.

S.No.	Name of the Non-Executive Directors	Sitting Fee paid (Rs. in Lakhs)
1	*Thiru M. Vijayakumar, IAS (w.e.f 25th May, 2018)	0.14
2	Thiru C. Ramachandran, IAS, (Retd)	1.82
3	Thiru J. Ravi	0.84
4	*Thiru B. Evanesan (Upto 7th Feb, 2019)	0.07
5	*Thiru N. Srivathsa Desikan (w.e.f 9th August, 2018)	0.63
6	*Thiru R. Madhavan	0.07
7	Thiru R. Ganapathi	0.42
8	Thiru H. Karthik Seshadri	1.89
9	Thiru G. Senrayaperumal	0.42
10	Dr. V. Dharmalingam (Upto 2nd March, 2019)	0.07
11	Thiru K. Kasim, IPS (Retd)	0.77
12	Thiru G. Chellakrishna	0.70
13	Thiru A.P Radhakrishnan (W.e.f 2nd March, 2019)	0.00

\*The sitting fee was paid to the directors were paid in the name of representing entity Electronics Corporation of Tamilnadu Limited (ELCOT).

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### Remuneration to Executive Directors

Tmt Unnamalai Thiagarajan is the Managing Director of the Company. Pursuant to the recommendation of Nomination and remuneration committee, the remuneration paid to her during the financial year was duly approved by the Board and the members of the company at the 27th Annual General Meeting of the company held on 9th August, 2018.

Total remuneration paid to Tmt Unnamalai Thiagarajan, Managing Director, during the Financial Year 2018 -19 was Rs.14.00 lacs. No other perquisites or other allowances were paid.

### Disclosures with respect to remuneration paid during the financial year ended 31st March, 2019 as per SEBI (LODR) Regulations, 2015

#### Details of service contracts, notice period, severance fees.

The appointment of directors was in accordance with the resolution passed by the Board of directors and subject to the approval of shareholders of the Company.

During the year ended 31st March 2019, none of the executive and non-executive directors were issued/ granted employee stock options of the Company.

## 6) STAKEHOLDERS RELATIONSHIP COMMITTEE

### a) Composition of the Committee and attendance

S.No.	Name of the Members	Position	Category
1	Thiru C Ramachandran, IAS (Retd)	Chairman	Non-Executive, Non-Independent Director
2	Thiru R.Ganapathi	Member	Non-Executive- Independent Director
3	Thiru H.Karthik Sheshadri	Member	Non-Executive- Independent Director

### The dates of meeting held during the year under review

The members of Stakeholders' Relationship Committee met 04 (Four) times during the financial year ended 31st March, 2019. i.e., 25th May, 2018, 09th August, 2018, 09th November, 2018 and 07th February, 2019.

**The particulars of attendance by the members of the Committee during the year under review**

S.No.	Name of the Members	Position	No. of Meetings held	No. of Meetings Attended
1	Thiru C Ramachandran, IAS (Retd)	Chairman	4	4
2	Thiru R.Ganapathi	Member	4	1
3	Thiru H.Karthik Sheshadri	Member	4	4

The Chairman of the Committee was present at the Company's 27th Annual General Meeting held on 9th August, 2018 to answer the shareholders' queries.

**b) Name and designation of Compliance Officer**

Mr. T. Joswa Johnson is the Company Secretary and Compliance Officer (Key Managerial Personnel) of the Company.

**Brief description and term of reference of the Committee.**

Pursuant to Regulations 13 and 20 and Part-D of Schedule II of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 the Committee oversees and reviews the redressal of investors' grievances pertaining to transfer of shares and dematerialization, re-materialization, non-receipt of balance sheet, non-receipt of declared dividends, etc

The Company is in compliance with the SCORES, which has been initiated by SEBI for processing the investor complaints in a centralized web based redressal system and online redressal of all the shareholders complaints.

**Status of Shareholders complaints/grievances**

The following is the status of Shareholders complaints during the financial year ended 31st March 2019.

S.No.	Particulars	*No. of Complaints
1	Number of investor complaints pending at the beginning of the year	0
2	Number of investor complaints received during the year	0
3	Number of investor complaints disposed off during the year	0
4	Number of investor complaints remaining unresolved at the end of the year	0

\*Based on the quarterly investors grievance report submitted to the stock exchanges pursuant to Regulation 13 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 during the financial year ended 31st March 2019.

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### OTHER COMITTEES

#### SHARE TRANSFER COMMITTEE

The Board constituted Share Transfer Committee to approve share transfer, transmissions, issue of duplicate share certificates, dematerialization of shares etc. The actions of sharetransfer committee are being placed at its subsequent Board meetings.

##### The composition of the Committee:

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, IAS	Member	Non-Executive Director

##### The dates of meeting held during the year under review

The members of Share Transfer Committee met 10 (Ten) times during the financial year ended 31st March, 2019. i.e., 9th July 2019, 24th July 2019, 25th Aug 2018, 16th Oct 2018, 23rd Oct 2018, 12th Nov 2018, 6th Dec 2019, 28th Dec, 2018, 31st Jan 2019 and 27th Mar 2019.

##### The particulars of attendance by the members of the Committee during the year under review

S.No.	Name	Position	No of Meetings Held	No of Meetings Attended
1	Thiru. J.Ravi	Member	10	9
2	Thiru. H. Karthik Seshadri	Member	10	10
3	Thiru. C. Ramachandran, IAS	Member	10	10

The committee also reviews the performance of the Registrar and Share Transfer Agents. The meetings of share Transfer Committee are held whenever the necessity arises. Transfer/ Transmission of shares, issuance of Duplicate Share certificate are processed and registered within the stipulated time subject to the availability of all required valid documents and completed in all respects.

#### PURCHASE COMMITTEE

The Company has constituted the Purchase Committee on 25th October, 2006 under the directions of the Board. It is empowered to identify the qualified vendors for taking advantage of competitive pricing.

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

During the financial year, there were no meeting held to transact the Business in purchase Committee.

### **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Company has constituted Corporate Social Responsibility committee in accordance with Section 135 of the Companies Act, 2013 and the Committee has formulated a policy on Corporate Social Responsibility. The composition of the committee and attendance details of members is follows.

S.No.	Name	Position	No of Meetings Held	No of Meetings Attended
1	Thiru J. Ravi	Chairman	1	1
2	Thiru N. Srivathsa Desikan (w.e.f 9th August, 2018)	Member	1	1
3	Thiru H.Karthik Sheshadri	Member	1	1

Mr. T. Joswa Johnson Company Secretary the Company was the Secretary to the Committee

The terms of reference of CSR Committee shall, inter-alia, include the following:

1. Formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per schedule VII of the Companies Act, 2013.
2. Review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company
3. Monitor the CSR policy of the Company from time to time;
4. Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

During the financial year ended 31st March 2019, the Corporate Social Responsibility committee met one time on 11th September, 2018.

### **MEEITNG OF INDEPENDENT DIRECTORS**

During the financial year ended 31st March 2019, the Independent Directors met on 7th Feb 2019 without the presence of the Executive Directors and management personnel of

## TWENTY EIGHTH ANNUAL REPORT 2018 - 19

the Company. Such meetings are conducted to enable Independent Directors to inter alia to discuss:

1. Evaluation of the performance of the Non Independent Directors and the Board of Directors as a Whole:
2. Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-executive Directors.
3. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The directors were satisfied with the evaluations.

All the Independent Directors were present except Dr. V. Dharmalingam.

### 7) GENERAL BODY MEETINGS

**Location and time, where last three annual general meetings held:**

Location	Date	Time	Special resolutions passed at the Annual General Meetings (AGM)
New Woodlands Hotel Pvt. Ltd., Chennai.	09th Aug, 2018	11.00 AM	No special resolution(s) passed
New Woodlands Hotel Pvt. Ltd., Chennai.	06th July, 2017	11.00 AM	Appointment of Statutory auditors
New Woodlands Hotel Pvt. Ltd., Chennai.	15th June, 2016	11.00 AM	Appointment of Statutory auditors

There was no extra ordinary general meeting held during the last 3 years.

### POSTAL BALLOT

**Special resolution passed during the previous year through postal ballot - details of voting pattern:**

#### 1. Continuation of Directorship of Thiru C. Ramachandran, IAS (Retd.) (DIN: 00050893) as Non-executive Director from April 1, 2019.

Item No of Notice	Mode of Voting	Votes in favour of the resolution		Votes against the resolution		Invalid/ Abstained* Votes	Total	
		Nos.	%	Nos.	%	Nos.	Nos.	%
Item No: 1 of the Notice (Special Resolution)	Continuation of Directorship of Thiru C. Ramachandran, IAS (Retd.) (DIN: 00050893) as Non-executive Director from April 1, 2019.							
	e-Voting	7,15,980	40.50	8,635	0.50	0	7,24,615	41.00
	Ballot	10,42,652	58.98	515	0.02	0	10,43,167	59.00
	Total	17,58,632	99.48	9,150	0.52	0	17,67,782	100.00

**2. Continuation of Directorship of Thiru K. Kasim, IPS (Retd.)(DIN: 02959356), as Non-Executive Director from April 1, 2019.**

Item No of Notice	Mode of Voting	Votes in favour of the resolution		Votes against the resolution		Invalid/ Abstained* Votes	Total	
		Nos.	%	Nos.	%	Nos.	Nos.	%
Item No: 2 of the Notice (Special Resolution)	Continuation of Directorship of Thiru K. Kasim, IPS (Retd.) (DIN: 02959356), as Non-Executive Director from April 1, 2019.							
	e-Voting	7,15,980	40.50	8635	0.50	0	7,24,615	41.00
	Ballot	10,42,252	58.96	815	0.04	100	10,43,067	59.00
	Total	17,58,232	99.46	9450	0.54	100	17,67,682	100.00

**Person who conducted the postal ballot exercise:**

The Board of Directors vide circular resolution dated 27th January, 2019 was approved to conduct Postal Ballot and had appointed Mr. C. Prabhakar, Partner of M/s. BP & Associates, Practicing Company Secretaries, Chennai, as the Scrutinizer to conduct the Postal Ballot and e-voting process.

**Procedure for postal ballot:**

The notice of Postal Ballot containing resolutions, explanatory statement, postal ballot forms and self-addressed business reply envelope were sent to the members through Registered post / email.

The intimation about completion of dispatch of Notice of postal ballot, the last date for receipt of reply from shareholders/completion of e-voting was intimated to the members by way of publication of advertisement in newspapers viz Business Standard (English, all edition) and 'Malai Sudar' on 14th February, 2019.

**As per the notice:**

1. The voting period started at 9.00 A.M. on Monday, 18th Feb, 2019 and ended 5.00 P.M. on Tuesday, 19th March, 2019.
2. The postal ballot forms / e-voting received after 5.00 P.M on Tuesday, 19th March, 2019, have been treated as 'responses not received from the shareholders.
3. Voting rights have been reckoned on the paid up value of the shares registered in the name of the shareholders as on Friday, 1st Feb, 2019.
4. Incomplete, unsigned or incorrectly filled postal ballot forms have been rejected by the Scrutinizer.

After due scrutiny of all postal ballot forms / e-voting received till 5.00 P.M on Tuesday, 19th March, 2019 (being the last date and time fixed for receipt of duly filled postal ballot forms) the Scrutinizer submitted his final report on Wednesday, 20th March, 2019.

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On the basis of the report of the Scrutinizer, Thiru M. Vijayakumar IAS, Chairman, declared the results of Postal Ballot / e-voting on Wednesday, 20th March, 2019 that all the Special Resolutions as set out in the Notice of postal Ballot dated 27th January, 2019 have been approved and passed by the members with requisite majority.

The voting results along with the Scrutinizers Report communicated to the Stock Exchange within 48 hours of the declaration of results and placed on the website of the Company [www.elnettechnologies.com](http://www.elnettechnologies.com) and CDSL's website.

There is no imminent proposal for passing any special resolution through Postal Ballot on or before the ensuing Annual General Meeting.

### **MEANS OF COMMUNICATION**

#### **a) Quarterly results**

The Company's quarterly financial results and the audited annual financial results are announced as per the requirements of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange. The aforesaid financial results are intimated to BSE Limited (BSE) where the Company's securities is listed, immediately after the approval of the Board of directors and are simultaneously displayed in Company's website [www.elnettechnologies.com](http://www.elnettechnologies.com)

#### **b) Newspapers wherein results normally published:**

The Company's quarterly, half yearly and annual audited financial results are normally published in leading daily newspapers, viz. Business Standard (English-National daily newspaper) and Malai Sudar (vernacular newspaper-Tamil).

#### **c) Website**

The quarterly & annual financial results of company are displayed in a separate section called Financial Reports under head of "Investor Information" in the website of the Company i.e, [www.elnettechnologies.com](http://www.elnettechnologies.com)

#### **d) Official New releases & other Communication**

All other official news releases which are required to be disclosed pursuant to Regulation 46 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 are available on the website the Company [www.elnettechnologies.com](http://www.elnettechnologies.com) with separate categories.

#### **e) Presentations made to institutional investors or to the analysts**

The Company has not made any Presentations made to investors or to the analysts during the financial year ended 31st March, 2019.



## 9. GENRAL SHAREHOLDER INFORMATION

### a) Annual General Meeting

<b>Date and time</b>	9th August, 2019
<b>Venue</b>	New Woodlands Hotel Pvt. Ltd
<b>Book Closure Date</b>	Saturday, 3rd day of August, 2019 to Friday, 9thday of August, 2019 (both days inclusive)

### b) Financial year

The financial year of the Company is 1st April to 31st March.

#### Calendar of financial year 2018-19

The Company follows April - March as the financial year. The meetings of Board of Directors for approval of Quarterly / Half yearly/ Annual financial results during the financial year ended 31st March, 2019 were held on the following dates.

First Quarter Results	25th May, 2018
Second Quarter and Half yearly Results	9th Aug, 2018
Third Quarter Results	9th Nov, 2018
Fourth Quarter and Annual Results	7th Feb, 2019

#### Tentative Calendar for financial year 2018-19

The tentative dates of meeting of Board of Directors for consideration of quarterly/Half yearly/ Annually financial results inter alia with other business of the Company for the financial year 2019-2020 are as follows:

First Quarter Results	Not later than 14th August 2019
Second Quarter and Half yearly Results	Not later than 14th November 2019
Third Quarter Results	Not later than 14th February 2020
Fourth Quarter and Annual Results	Not later than 30th May 2020

### c) Dividend payment date

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### Payment of Dividend during the financial year 2018-19

Date of declaration	9th August, 2018
Rate of dividend	15%
Book Closure Date	Saturday, 28th day of July, 2018 to Thursday, 9th day of August, 2018 (both days inclusive)
Date of payment of dividend	27th August, 2018
Amount of dividend paid	Rs. 1.50/- per equity shares of face value Rs. 10 each/-

### Proposed final Dividend for the financial year ended 31st March, 2019.

Date of declaration	9th August, 2019
Rate of dividend	15%
Book Closure Date	Saturday, 3rd day of August, 2019 to Friday, 9th day of August, 2019 (both days inclusive)
Date of payment of dividend	The proposed dividend, if so approved, will be paid within 30 days from the date of declaration to the members whose name appears on the Register of Members at end of the day on Friday, 2nd August, 2019.
Amount of dividend paid	Rs. 1.50 per share

### d) Details of Stock Exchange and payment of listing fee

The equity shares of the company are listed in Bombay Stock Exchange (BSE Limited) and the listing fee for the financial year 2018-19 was paid on 5th April, 2018.

### e) Stock Code

**BSE- 517477**

### f) Market price data- high, low during each month in the previous financial year

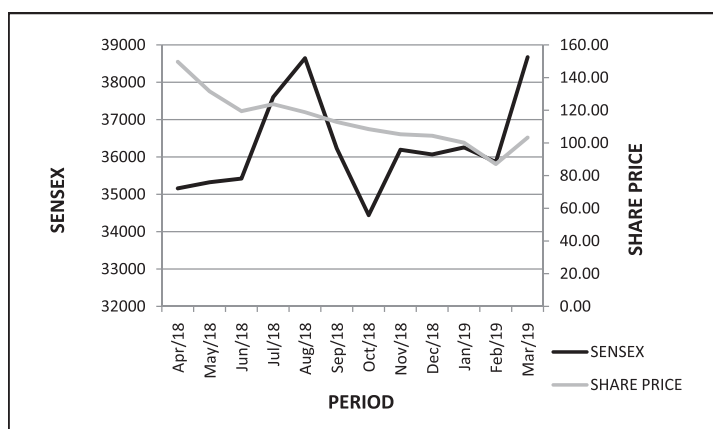
(Share Price in Rs.)

MONTH	HIGH	LOW	VOUME
Apr-18	163.75	146.60	33986
May-18	157.70	125.10	78490
Jun-18	136.95	115.50	35193
Jul-18	128.90	116.30	23106
Aug-18	133.75	111.25	71303
Sep-18	123.65	106.60	31282

Oct-18	127.95	105.55	22946
Nov-18	120.00	105.25	30353
Dec-18	113.25	102.25	10129
Jan-19	113.70	97.50	25937
Feb-19	117.00	85.00	17546
Mar-19	108.00	87.50	12392

#### g) Performance in comparison to broad-based indices

##### BSE- SENSEX



h) The securities of the Company has not suspended from trading during the financial year. Hence there is no explanation required to be provided in the Board's Report.

#### i) Registers to issue and share transfer Agent

Cameo Corporate Services Ltd  
 "Subramanian Building"  
 # 1, Club House Road  
 Chennai 600 002.  
 Ph:-044 - 2846 0390 (5 lines)  
 Fax:-044 - 2846 0129

#### j) Share transfer system

The majority of Company's equity shares i.e., 96.31% are in demat format as on 31st March, 2019. These shares can be transferred through the depositories viz., i.e. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) without the Company's involvement.

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The Board has delegated the powers to approve share transfers, transmissions, rematerialisation by constituting a Share Transfer Committee. During the financial year, transfer of shares in physical form was processed within 15 days from the date of receipt of transfer request, provided the documents are complete in all respects. All transfers were first processed by the Transfer Agent and submitted thereafter to the Company for approval. The physical share transfer, transmissions processed based on number of requests received. The shares lodged for transfers processed and registered as per the requirements of the regulations.

Pursuant to Regulation 40(9) of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, the Company obtains certificates from the Practicing Company Secretaries on a half yearly basis to the effect that all the transfers are completed within the statutory stipulated period. A copy of the certificate so received is submitted to Stock Exchange where the shares of the company are listed.

The transactions of the shares held in Demat and Physical form are handled by the Company's Registrar and Share Transfer Agent "Cameo Corporate Services Ltd"

### k) Distribution of shareholding as on 31st March, 2019

Range	No. of Shareholders	% of Total Shareholders	No. of Shares	% of Total Share Capital
1-100	3605	68.86	233240	5.83
101-500	1233	23.55	330205	8.26
501-1000	193	3.69	151756	3.79
1001-2000	100	1.91	149276	3.73
2001-3000	29	0.55	71491	1.79
3001-4000	25	0.48	86975	2.17
4001-5000	10	0.19	48482	1.21
5001-10000	17	0.32	134613	3.37
Above 10000	23	0.44	2793969	69.85
<b>Total</b>	<b>5235</b>	<b>100.000</b>	<b>4000007</b>	<b>100.00</b>

### Shareholding Pattern as on 31st March 2019

Category	No. of Shares	Percentage
<b>Promoters</b>		
Promoters	1744378	43.61
<b>Subtotal (A)</b>	<b>1744378</b>	<b>43.61</b>

Category	No. of Shares	Percentage
<b>NRIs/OCBs</b>		
Foreign Company	0	0.00
Foreign Nationals	0	0.00
Non Resident Indians	26675	0.67
Foreign Institutional Investors	0	0.00
Foreign Portfolio Investor	0	0.00
<b>Subtotal (B)</b>	<b>26675</b>	<b>0.67</b>
<b>Others</b>		
Clearing Members	562	0.01
Private Corporate Bodies	24996	0.62
Mutual Funds	0	0.00
Financial Institutions (Bank)	369483	9.24
Public	1681696	42.04
HUF	71170	1.78
IEPF	81047	2.03
<b>Subtotal (C)</b>	<b>2228954</b>	<b>55.72</b>
<b>Total (A+B+C)</b>	<b>4000007</b>	<b>100.00</b>

#### **I) Dematerialization of shares and liquidity**

Physical/ NSDL/ CDSL/ Summary Report as on 31st March, 2019, representing 96.31% of total Equity Share Capital of the Company were held in dematerialized form.

	As on 31st March, 2019		As on 31st March, 2018	
Mode of holding	No. of Shares	% to Equity	No. of Shares	% to Equity
NSDL	33,72,097	84.30	33,30,159	83.25
CDSL	4,80,538	12.01	4,93,376	12.33
PHYSICAL	1,47,372	3.68	1,76,472	4.41
<b>TOTAL</b>	<b>40,00,007</b>	<b>100.00</b>	<b>40,00,007</b>	<b>100.00</b>

#### **m) Outstanding Debt/ GDRs/ ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity**

The Company has not issued any GDRs / ADRs /Warrants or any convertible instruments as on date.

#### **n) Commodity price risk or foreign exchange risk and hedging activities**

The Company does not have exposure to foreign exchanges requirements.

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### **o) Plant location**

Not Applicable

### **p) Address for correspondence**

#### **Registered Office**

Elnet Software City,

TS 140, Block No.2 & 9, Rajiv Gandhi Salai, Taramani, Chennai-600113.

#### **Contact details of Designated Official for assisting & handling Investor Grievances**

Mr. T. Joswa Johnson

Company Secretary & Compliance Officer

Contact No. : 91 - 44 - 2254 1098 / 2254 1337 / 2254 1791;

Fax No. : 91 - 44 - 2254 1955; E-mail: elnetcity@gmail.com

#### **List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad**

The company has not invested in any debt instruments or any fixed deposit programme or any scheme or proposal involving mobilization of funds whether in India or abroad. Hence the disclosure is not applicable

### **TRANSFERS TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

Pursuant to section 124 of the Companies Act, 2013 ("the Act") read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("The Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government, after completion of seven consecutive years from the date of transfer to unpaid dividend account. Further, according to the Rules, the shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall also be transferred to the demat account of IEPF Authority.

#### **Transfer of Unpaid/ Unclaimed Dividend Amount/ Shares pertaining to the dividend declared financial year ended 31st March, 2012 to Investor Education and Protection Fund (IEPF)**

The due date for transfer of unpaid/unclaimed dividend amount and corresponding shares for the dividend declared during the financial year ended 31st March, 2012 is 24th July, 2019. In compliance with the provision, during the financial year 2019-2020 the Company had sent individual notices to the eligible shareholders and advertised in the newspapers (Business standard - Leading English Newspaper All India edition and Malaisudar- Regional language

newspaper) seeking action from the shareholders who have not claimed their dividends for seven consecutive years or more for the dividend declared during the financial year ended 31st March, 2012. Accordingly, after the expiry of due date for claiming the unpaid/ unclaimed dividend, the Company has transferred such unpaid or unclaimed dividends and also the corresponding shares for the Financial Year ended 31st March, 2012 to IEPF authority.

Details of shares/shareholders in respect of which dividend has not been claimed, are provided on the website of the company [www.elnettechnologies.com](http://www.elnettechnologies.com). (Investors/Compliances/unpaid dividend data/year 2019). Members are requested to ensure that they claim the dividends and shares referred above, before they are transferred to the said Fund.

Members/claimants whose shares, and/or unclaimed dividend, have been transferred to the IEPF Demat Account or the Fund, as the case may be, may claim the shares or apply for refund of dividend by making an application to the IEPF Authority in Form IEPF-5 (available on <http://www.iepf.gov.in>) along with requisite fee as decided by the IEPF Authority from time to time. The Member/claimant can file only one consolidated claim in a Financial Year as per the IEPF Rules.

## **10. OTHER DISCLOSURES:**

### **a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of Company at large**

During the year, the Company had not entered into any transaction of a material nature with any of the related parties which may have potential conflict with the interest of the Company at large.

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. 40 of Notes on Accounts.

### **b) Details of non-compliance by the listed entity, penalties, and strictures imposed on the listed entity by stock exchange or the board or any statutory authority, on any matter related to capital markets, during the last three years**

There have been no instances of non-compliances by the Company and no penalties and /or strictures have been imposed by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.

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### **c) Establishment of vigil mechanism/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 conductor 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. The Vigil Mechanism Policy shall 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 [elnetcity@gmail.com](mailto:elnetcity@gmail.com). The key directions/actions will be informed to the Managing Director of the Company.

### **d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements.**

The Company has fully complied with all the mandatory requirements and has adopted certain non-mandatory requirements as prescribed in Part-E of Schedule II to the Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

The Company is having a non-executive chairperson and he is not claiming any reimbursement of expenses incurred in the performance of his duties.

#### **ii) Shareholders Rights**

Pursuant to regulations of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 as the company's quarterly/half yearly/annual financial results are published in an English newspaper having wide circulation all over India and in Tamil newspaper widely circulated in Chennai, the company is not sending the same to the shareholders of the company individually. The same will be hosted in the company's website [www.elnettechnologies.com](http://www.elnettechnologies.com) within the stipulated time.

#### **iii) Modified opinion(s) in audit report.**

The financial statement of the company is having an unmodified audit opinion.

#### **iv) Separate posts of chairperson and chief executive officer**

The company is having a Managing director as one of the Key Managerial Personnel. The appointment of Chief executive officer of the company does not arise.

#### **v) Reporting of internal auditor**

The Internal auditor is directly reporting to the audit committee covering the scope of internal audit regarding Revenue recognition, Taxation (Direct & Indirect tax), statutory payment, Cash & Bank, General ledger Review



**e) Weblink where the policy for determining ‘material’ subsidiary is available**

The Company does not have any material subsidiary. Hence the necessity for complying with respect to framing a policy for determining the material subsidiary does not arise.

**f) Weblink where the Policy on dealing with related party transactions is available**

The Policy on dealing with related party transactions is available in our Company’s website [www.elnettechnologies.com](http://www.elnettechnologies.com)

**g) Disclosure of commodity price risks and commodity hedging activities.**

Not applicable

**h) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).**

Not applicable

**i) Certificate from practicing company secretary regarding disqualification of Directors.**

The Company Secretary in practice and secretarial auditors of the company has certified that none of Directors on the Board of Directors the Company have been debarred or disqualified from being appointed or continuing as directors by the Board/ Ministry of Corporate affairs or any statutory authorities as on 31st March, 2019.

The certificate is enclosed with this report as Annexure.

**j) Details of recommendations of Committees which were not accepted by the board along with reasons.**

The Audit Committee generally makes certain recommendations to the Board of Directors of the Company at their meetings held to consider any financial results (Unaudited and Audited) and such other matters placed before the Audit Committee as per the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from time to time. During the year the Board of Directors has considered all the recommendations made by the Audit Committee and has accepted and carried on the recommendations suggested by the Committee to its satisfaction. Hence there are no recommendations unaccepted by the Board of Directors of the Company during the year.

**k) Total fees paid for all services on consolidated basis to statutory auditors and their network firms.**

During the year the company has paid Rs.6.02 lacs to statutory auditors as a consolidated pay for the services rendered. There was no payment to network entities in which the statutory auditors of the company is taking part.

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### **I) Disclosure in relation to the Sexual harassment of women at workplace (prevention, Prohibition and Redressal) Act, 2013**

The Company has Internal Complaints Committees as required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company firmly provides a safe, supportive and friendly workplace environment -a workplace where our values come to life through the underlying behaviours. Positive work place environment and a great employee experience are integral parts of our culture.

During the year under review, there were no cases filed pursuant to the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013.

Details	Status
Number of complaints filed during the financial year	Nil
Number of complaints disposed of during the financial year	Nil
Number of complaints pending as on end of the financial year	Nil

### **11. Non compliance of any requirement of S. No 2 to 10 of schedule V of Regulation 34 of SEBI (LODR) Regulations, 2015**

The Company has complied with all the requirement of corporate governance report which is mentioned in S. No 2 to 10 of schedule V of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

### **12. The corporate governance report has disclosed the extent to which the discretionary requirements as specified in Part E of the Schedule II to the Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [Refer 10 (d)]**

### **13. The Company has complied with the corporate governance requirements as specified in Regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 of the Listing Regulations.**

#### **Disclosures with respect to demat suspense account/unclaimed suspense account:**

Based on the shareholding pattern received from Registrar and Share transfer Agent for every quarter during the financial year, As on March 31, 2019 there are no shares lying in the demat suspense account or unclaimed suspense account.

**Declaration signed by the Managing Director stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management is disclosed below.**

**Compliance certificate from practicing company secretaries regarding compliance of conditions of corporate governance is annexed to the Boards Report as ANNEXURE-VI.**

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## **CEO/CFO CERTIFICATION**

As required under Regulation 17 of the SEBI Listing Regulations, the CEO/CFO Certification on financial statements of the company for the financial year ended 31st March 2019 signed by Tmt Unnamalai Thiagarajan, Managing Director and Tmt E. Kamakshi, CFO was placed before the Board of Directors of the Company at their meeting held on Monday, 27th May, 2019 and enclosed as annexure to this Annual Report.

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## **GREEN INITIATIVE IN CORPORATE GOVERNANCE**

Rule 11 of the Companies (Accounts) Rules, 2014, permits circulation of Annual Report to shareholders through electronic means to such of the members whose e-mail addresses are registered with NSDL or CDSL or the shareholders who have registered their E-mail ID with the Company to receive the documents in electronic form and physical copies to those shareholders whose e-mail IDs have not been either registered with the Company or with the depositories.

To support this green initiative of the Government, Members are requested to register their e-mail addresses, with the DPs, in case shares are held in dematerialized form and with the Share Transfer Agent, in case the shares are held in physical form and also intimate changes, if any, in their registered e-mail addresses to the Company / DPs, from time to time.

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## **COMPLIANCE WITH CODE OF CONDUCT**

To

The shareholders of Elnet Technologies Limited  
Chennai

On the basis of the written declarations received from members of the Board and Senior Management Personnel in terms of the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, it is hereby certified that both the Members of the Board and the Senior Management Personnel of the Company have affirmed compliance with the respective provisions of the Code of Business Conduct and Ethics of the Company as laid down by the Board for the year ended 31st March 2019.

Place : Chennai  
Date : 27<sup>th</sup> May, 2019

**Tmt Unnamalai Thiagarajan**  
Managing Director  
DIN: 00203154

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### CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

[Under Reg. 17(8) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]

To,

The Board of Directors

**Elnet Software City,**

TS 140, Block No.2 & 9,

Rajiv Gandhi Salai, Taramani,

Chennai – 600 113

We certify that

- A. We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2019 and that to the best of our knowledge and belief:
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2019 which is fraudulent, illegal or violative of the Company's code of conduct;
- C. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal controls, if any, of which we are aware of and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee -
- 1) Significant changes in internal control over the financial reporting during the year ended 31st March, 2019
  - 2) Significant changes in accounting policies during year ended 31st March, 2019 and that the same have been disclosed in the notes to the financial statements; and
  - 3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over the financial reporting.

Place : Chennai  
Date : 27<sup>th</sup> May, 2019

**Tmt Unnamalai Thiagarajan**  
Managing Director

**Tmt E. Kamakshi**  
Chief Financial Officer

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Board of Directors

### **ELNET TECHNOLOGIES LIMITED**

TS 140 Block 2 & 9, CPT Road, Taramani, Chennai - 600 113.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of ELNET TECHNOLOGIES LIMITED having CIN L72300TN1990PLC019459 and having registered office at TS 140, BLOCK 2 & 9, CPT ROAD, TARAMANI, CHENNAI – 600113. (hereinafter referred to as ‘the Company’), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S No.	Name of Director	DIN
1	RAVI JANAKIRAMAN	00042953
2	CHAKKOLATH RAMACHANDRAN	00050893
3	GANAPATHI RAMACHANDRAN	00103623
4	UNNAMALAI THIAGARAJAN	00203154
5	KARTHIK SESHADRI HARIKRISHNAN	00203319
6	GANGADARAN CHELLAKRISHNA	01036398
7	GOVINDASAMY SENRAYAPERUMAL	01458026
8	RAMASAMY MADHAVAN	02345801
9	KADHER MOHIDEEN KASIM	02959356
10	AMMOOR PERIYAN RADHAKRISHNAN	03642690
11	VIJAYA KUMAR MARIAPPAN	08128389
12	SRIVATHSA DESIKAN	08205725

## TWENTY EIGHTH ANNUAL REPORT 2018 - 19

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Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For BP & Associates  
Company Secretaries

Place : Chennai  
Date : 27<sup>th</sup> May, 2019

C Prabhakar  
Partner  
M No: 30433  
CP No: 11033

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### Form No. MR-3

### SECRETARIAL AUDIT REPORT

### FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

[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, CPT Road,

Taramani, Chennai - 600 113.

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, 2019 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, 2019 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;
  - 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 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.

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;

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- (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.

### **We further report that during the audit period, the company has:**

#### 1. Changes in Board of Directors

- (a) Regulation 17(1) (A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the shareholders of the Company have approved the continuation of Directorship of following Non- Executive Directors aged above 75 years through postal Ballot.

Name of the Directors	Designation
Thiru C Ramachandran IAS (Retd)	Non-Executive Director
Thiru K Kasim IPS (Retd)	Non-Executive - Independent Director

- (b) Pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company has approved the appointment of Thiru. A. P. Radhakrishnan as Non-Executive - Independent Director (Additional Director) of the Company with effect from 2nd March, 2019.



- (c) Dr V. Dharmalingam, Independent Director, resigned from the Board of Directors with effect from 2nd March, 2019.
- (d) Pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on Thursday, 7th February, 2019 has approved the Change in Designation and appointing Thiru M. Vijayakumar IAS as Chairman and Non-Executive Director (Additional Director) with effect from 7th February, 2019.
- (e) Pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on Thursday, 7th February, 2019 has approved the Change in Designation and appointing Thiru N. Srivathsa Desikan Non-Executive Director (Additional Director) with effect from 7th February, 2019.
- (f) Pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on Thursday, 7th February, 2019 has approved the Re-appointment of Thiru. G. Chellakrishna as Non-Executive Independent Director of the Company with effect from 23rd April, 2019 for the second term of five consecutive years.
- (g) Pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on Thursday, 7th February, 2019 has approved the appointment of Thiru. R. Madhavan as Non-Executive Director (Additional Director) of the Company with effect from 7th Feb, 2019.
- (h) Thiru B. Evanesan, Director of the company resigned from the Board of Directors with effect from 7th February, 2019.
- (i) Tmt Unnamalai Thiagarajan was re-appointed as the Managing Director for a period of 5 years with effect from 29th September, 2018 at the 27th AGM held on 09th August, 2018.
- (j) Thiru N. Srivathsa Desikan was appointed as the Nominee Director (Non-Executive Director) of the Company with effect from 9th August, 2018.
- (k) Thiru M. Vijayakumar, IAS was appointed as the Chairman and Nominee Director (Non-Executive Director) of the Company with effect from 25th May, 2018.

For BP & Associates  
Company Secretaries

Place : Chennai  
Date : 27<sup>th</sup> May, 2019

S.Bhaskar  
Partner  
M. No: 10798  
C.P. No: 8315

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### ANNEXURE (II)

To

The Members,

**ELNET TECHNOLOGIES LIMITED,**

TS 140 BLOCK 2 & 9, CPT ROAD

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

Place : Chennai

Date : 27<sup>th</sup> May, 2019

S.Bhaskar  
Partner  
M. No: 10798  
C.P. No: 8315

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Elnet Technologies Limited

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of Elnet Technologies Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, Statement of changes in equity and Statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information

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 Companies Act, 2013 ("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, 2019, and profit, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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<b>Contingent Liability:</b>	
<b>Key Audit Matter</b>	<b>How the Key Audit Matter was addressed in our audit</b>
<p>Refer Note No 36 of the financial statements with respect to exposure on account of differential lease rent and interest on delayed payment of lease rent claimed during the year 2009-10 and 2017-18 which have been disclosed as Contingent Liability by the Company amounting to Rs 1071 Lakhs. The exposure is on account of difference in the computation of Lease Rent for the period from February 14, 1991 to February 14, 1999 and interest on delayed payment of lease rent for the period May 18, 2000 until August 8, 2017.</p> <p>Assessment of contingent liabilities, disclosure requires Management to make judgements and estimates in relation to the issues and exposures. Whether the liability is inherently uncertain, the amounts involved are potentially significant and the application of accounting standards to determine the amount, if any to be provided as a liability, is inherently subjective. Due to the level of judgement relating to recognition, valuation and presentation of contingent liabilities, this is considered to be a Key Audit Matter.</p>	<p>Our audit procedures include:</p> <ul style="list-style-type: none"> <li>• We tested the effectiveness of controls around the recording and re-assessment of contingent liabilities</li> <li>• We discussed the status and potential exposures in respect of significant litigation and claims with the Company's internal legal team including their views on the likely outcome of each litigation and claim and the magnitude of potential exposure and sighted any relevant opinions given by the Company's advisors.</li> <li>• We assessed the adequacy of disclosures made</li> <li>• Assessed the reasonableness of management's likelihood and quantification of outflow assessment; and</li> <li>• We performed retrospective review of management judgements relating to accounting estimate included in the financial statement of prior year and compared with the outcome.</li> </ul>

### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management report, Chairman's statement, Director's report etc but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to

be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **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 Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Financial Statements.

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### 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 "Annexure B" 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 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 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 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 the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
  - (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 financial statements – Refer Note 36 to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For MSKA & Associates  
Chartered Accountants  
ICAI Firm Registration No. 105047W

Place : Chennai  
Date : 27<sup>th</sup> May, 2019

Geetha Jeyakumar  
Partner  
Membership No.: 029409

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## **ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT ON EVEN DATE ON THE FINANCIAL STATEMENTS OF ELNET TECHNOLOGIES LIMITED**

### **Auditors' Responsibilities for the Audit of the Financial Statements**

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our

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conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For MSKA & Associates  
Chartered Accountants  
ICAI Firm Registration No. 105047W

Place : Chennai  
Date : 27<sup>th</sup> May, 2019

Geetha Jeyakumar  
Partner  
Membership No.: 029409



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**ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ELNET TECHNOLOGIES LIMITED FOR THE YEAR ENDED MARCH 31, 2019**

[Referred to in paragraph under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

- i. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets (Property, Plant and Equipment).  
(b) All the fixed assets (Property, Plant and Equipment) have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.  
(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The Company is involved in the business of rendering services. Accordingly, the provisions stated in paragraph 3(ii) of the Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions stated in paragraph 3 (iii) (a) to (c) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.
- vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.

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- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, cess and any other statutory dues applicable to it. There were no undisputed statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us and the records of the Company examined by us, there are no dues of income tax, goods and service tax, customs duty, cess and any other statutory dues which have not been deposited on account of any dispute.
- viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions stated in paragraph 3 (ix) of the Order are not applicable to the Company.
- x. During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (xiv) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions stated in paragraph 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 stated in paragraph clause 3 (xvi) of the Order are not applicable to the Company.

For MSKA & Associates  
Chartered Accountants  
ICAI Firm Registration No. 105047W

Place : Chennai  
Date : 27<sup>th</sup> May, 2019

Geetha Jeyakumar  
Partner  
Membership No.: 029409

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## **ANNEXURE C TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ELNET TECHNOLOGIES LIMITED**

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

### **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 with reference to financial statements of Elnet Technologies ("the Company") as of March 31, 2019 in conjunction with our audit of the 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 with reference to financial statements 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) (the "Guidance Note"). These responsibilities

## **TWENTY EIGHTH ANNUAL REPORT 2018 - 19**

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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 with reference to financial statements based on our audit. We conducted our audit in accordance with 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. 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 internal financial controls with reference to financial statements 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 internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 judgement, including the assessment of the risks of material misstatement of the 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 with reference to financial statements.

### **Meaning of Internal Financial Controls With Reference to Financial Statements**

A Company's internal financial control with reference to financial statements 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 with reference to financial statements 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 With Reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For MSKA & Associates  
Chartered Accountants  
ICAI Firm Registration No. 105047W

Place : Chennai  
Date : 27<sup>th</sup> May, 2019

Geetha Jeyakumar  
Partner  
Membership No.: 029409

## TWENTY EIGHTH ANNUAL REPORT 2018 - 19

<b>Balance Sheet as at March 31, 2019</b> (All amounts are in lakhs of Indian Rupees, unless otherwise stated)			
Particulars	Notes	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	2,562.52	2,251.52
Capital work in progress	5	58.79	36.91
Financial assets			
Investments	6	803.14	804.49
Other financial assets	7	1,039.50	1,144.74
Income Tax Assets (Net)	8	74.64	75.93
Other Non Current Assets	9	192.04	-
<b>Total non-current assets</b>		<b>4,730.63</b>	<b>4,313.59</b>
<b>Current assets</b>			
Financial assets			
Trade receivables	10	208.56	235.52
Cash and cash equivalents	11	155.33	425.10
Bank balances other than above	12	4,218.13	3,597.24
Other financial assets	13	100.20	223.03
Other current assets	14	64.30	42.08
<b>Total current assets</b>		<b>4,746.52</b>	<b>4,522.97</b>
<b>Total Assets</b>		<b>9,477.15</b>	<b>8,836.56</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	15	400.00	400.00
Other equity	16	7,121.15	6,375.84
<b>Total equity</b>		<b>7,521.15</b>	<b>6,775.84</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Other financial liabilities	17	1,096.20	195.47
Provisions	18	9.32	10.42
Deferred Tax Liabilities (net)	19	22.92	62.48
<b>Total non-current liabilities</b>		<b>1,128.44</b>	<b>268.37</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	20	426.34	426.34
Trade payables	21		
Total outstanding dues of micro enterprises and small enterprises		8.06	0.32
Total outstanding dues of creditors other than micro enterprises and small enterprises		12.70	17.80
Other financial liabilities	22	354.91	1,331.89
Provisions	23	0.76	3.49
Other current liabilities	24	24.79	12.51
<b>Total current liabilities</b>		<b>827.56</b>	<b>1,792.35</b>
<b>Total liabilities</b>		<b>1,956.00</b>	<b>2,060.72</b>
<b>Total Equity and Liabilities</b>		<b>9,477.15</b>	<b>8,836.56</b>

The accompanying notes form an integral part of the financial statements

### For and on behalf of the Board

**Unnamalai Thiagarajan**  
Managing Director  
(DIN : 00203154)

**G. Chellakrishna**  
Independent Director  
(DIN : 01036398)

**N. Srivathsa Desikan**  
Non-Executive Director  
(DIN : 08205725)

Place : Chennai  
Date : 27th May, 2019

**E. Kamakshi**  
Chief Financial Officer

**T. Joswa Johnson**  
Company Secretary

As per our Report of even date

**For MSKA & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 105047W

**Geetha Jeyakumar**  
Partner  
Membership No: 029409

**Statement of profit and loss for the year ended March 31, 2019**  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>A Income</b>			
Revenue from operations	25	2,104.45	2,221.37
Other income	26	444.24	366.96
<b>Total income</b>		<b>2,548.69</b>	<b>2,588.33</b>
<b>B Expenses</b>			
Employee benefits expense	27	121.80	111.30
Depreciation and amortisation expense	28	331.77	279.92
Other expenses	29	859.01	941.52
Finance costs	30	69.82	19.29
<b>Total expenses</b>		<b>1,382.40</b>	<b>1,352.03</b>
<b>C Profit before exceptional items and tax</b>		<b>1,166.29</b>	<b>1,236.30</b>
Exceptional items	31	-	(3.15)
<b>D Profit before tax from continuing operations</b>		<b>1,166.29</b>	<b>1,233.15</b>
Income tax expense	32		
Current tax		355.00	346.39
Deferred tax		(29.89)	(13.14)
<b>E Profit for the year</b>		<b>841.18</b>	<b>899.90</b>
<b>F Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment benefit obligations		0.97	2.75
Effect of measuring investments at fair value		(34.19)	41.75
Income tax relating to these items		9.67	(12.28)
<b>Other comprehensive income for the year, net of tax</b>		<b>(23.55)</b>	<b>32.23</b>
<b>Total comprehensive income for the year</b>		<b>817.63</b>	<b>932.13</b>
<b>Earnings per share</b>	33		
Basic earnings per share		20.44	22.50
Diluted earnings per share		20.44	22.50

The accompanying notes form an integral part of the financial statements

**For and on behalf of the Board**

**Unnamalai Thiagarajan**  
Managing Director  
(DIN : 00203154)

**G. Chellakrishna**  
Independent Director  
(DIN : 01036398)

**N. Srivathsa Desikan**  
Non-Executive Director  
(DIN : 08205725)

Place : Chennai  
Date : 27th May, 2019

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As per our Report of even date

**For MSKA & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 105047W

**Geetha Jeyakumar**  
Partner  
Membership No: 029409

## TWENTY EIGHTH ANNUAL REPORT 2018 - 19

<b>Statement of Changes in Equity for the year ended March 31, 2019</b> (All amounts are in lakhs of Indian Rupees, unless otherwise stated)						
<b>(A) Equity Share Capital</b>	<b>Reserves and Surplus</b>			<b>Items of Other Comprehensive Income</b>		<b>Total</b>
	<b>General Reserve</b>	<b>Retained earnings</b>	<b>Other Reserves - Capital Subsidy</b>	<b>Remeasurement of defined benefit plans</b>	<b>Effect of measuring investments at fair value</b>	
Balance at the beginning of April 1, 2017	2,912.21	2,573.27	25.75	1.27	-	5,512.49
Changes in equity share capital during the year	-	(67.40)	-	1.13	29.71	(36.56)
Balance at the end of March 31, 2018	-	899.90	-	-	-	899.90
Changes in equity share capital during the year	-	-	-	-	-	-
Balance at the end of March 31, 2019	2,912.21	4,174.62	25.75	2.40	(24.23)	6,375.84
<b>(B) Other Equity</b>						
<b>Balance as at March 31, 2017</b>	<b>2,912.21</b>	<b>2,573.27</b>	<b>25.75</b>	<b>1.27</b>	<b>-</b>	<b>5,512.49</b>
Additions/ (deductions) during the year	-	(67.40)	-	1.13	29.71	(36.56)
Profit for the year	-	899.90	-	-	-	899.90
Ind AS adjustments	-	-	-	-	-	-
<b>Balance as at March 31, 2018</b>	<b>2,912.21</b>	<b>3,405.77</b>	<b>25.75</b>	<b>2.40</b>	<b>29.71</b>	<b>6,375.84</b>
Additions/ (deductions) during the year	-	(72.33)	-	0.69	(24.23)	(95.87)
Profit for the year	-	841.18	-	-	-	841.18
Ind AS adjustments	-	-	-	-	-	-
<b>Balance as at March 31, 2019</b>	<b>2,912.21</b>	<b>4,174.62</b>	<b>25.75</b>	<b>3.09</b>	<b>5.48</b>	<b>7,121.15</b>

The accompanying notes form an integral part of the financial statements

### For and on behalf of the Board

**Unnamalai Thiagarajan**  
Managing Director  
(DIN : 00203154)

Place : Chennai  
Date : 27th May, 2019

**G. Chellakrishna**  
Independent Director  
(DIN : 01036398)

**E. Kamakshi**  
Chief Financial Officer

**N. Srivathsa Desikan**  
Non-Executive Director  
(DIN : 08205725)

**T. Joswa Johnson**  
Company Secretary

As per our Report of even date

**For MSA & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 105047W

**Geetha Jayakumar**  
Partner  
Membership No: 029409



# **Statement of cash flows for the year ended March 31, 2019**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Cash Flow From Operating Activities</b>		
Profit before income tax	1,166.29	1,233.15
Adjustments for		
Depreciation and amortisation expense	331.77	279.92
Provision for diminution in Investment	-	3.15
(Profit)/Loss on sale of fixed asset	3.46	(0.43)
Fair value change of investments through profit and loss	(30.26)	(32.35)
Provision/ (Reversal) for Employee Benefits	(3.83)	(13.42)
Provision for doubtful debts	0.46	-
Interest Income on deposits	(376.32)	(326.31)
Finance costs	69.82	19.29
	1,161.39	1,163.00
Change in operating assets and liabilities		
(Increase)/ decrease in Other financial assets	(86.79)	1,462.96
(Increase)/ decrease in trade receivables	27.42	(4.33)
(Increase)/ decrease in Other assets	(22.22)	(9.93)
Increase/ (decrease) in provisions and other liabilities	(63.35)	174.52
Increase/ (decrease) in trade payables	2.65	7.76
Cash generated from operations	1,019.09	2,793.98
Less : Income taxes paid (net of refunds)	(353.71)	(307.84)
<b>Net cash from / (used in) operating activities (A)</b>	<b>665.38</b>	<b>2,486.14</b>
<b>Cash Flows From Investing Activities</b>		
Acquisition of property plant and equipment and Capital work-in-progress	(671.26)	(284.98)
Purchase of Investments	-	2.43
Proceeds from disposal of Property, plant and equipment and Capital work-in-progress	-	2.85
(Investments in) / Maturity of fixed deposits with banks more than 3 months	(620.89)	(2,353.60)
Interest Received on Deposits	499.15	204.28
<b>Net cash (used in) / from investing activities (B)</b>	<b>(793.00)</b>	<b>(2,429.02)</b>
<b>Cash Flows From Financing Activities</b>		
Finance costs	(69.82)	(19.29)
Dividend paid	(60.00)	(56.00)
Tax on dividend	(12.33)	(11.40)
<b>Net cash used in financing activities (C)</b>	<b>(142.15)</b>	<b>(86.69)</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>(269.77)</b>	<b>(29.58)</b>
Cash and cash equivalents at the beginning of the financial year	425.10	454.68
<b>Cash and cash equivalents at end of the year</b>	<b>155.33</b>	<b>425.10</b>
<b>Notes:</b>		
1. The above cash flow statement has been prepared under indirect method prescribed in Ind AS 7 "Cash Flow Statements".		
2. Components of cash and cash equivalents		
Balances with banks		
- In current accounts	54.90	39.93
- In Deposit Account (maturing within 3 months)	100.00	385.00
Cash on hand	0.43	0.17
	<b>155.33</b>	<b>425.10</b>

## **For and on behalf of the Board**

**Unnamalai Thiagarajan**  
Managing Director  
(DIN : 00203154)

Place : Chennai  
Date : 27th May, 2019

**G. Chellakrishna**  
Independent Director  
(DIN : 01036398)

**E. Kamakshi**  
Chief Financial Officer

**N. Srivathsa Desikan**  
Non-Executive Director  
(DIN : 08205725)

**T. Joswa Johnson**  
Company Secretary

As per our Report of even date

**For MSKA & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 105047W

**Geetha Jeyakumar**  
Partner  
Membership No: 029409

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### Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

#### 4 Property, plant and equipment

Particulars	Tangible Assets													
	Land	Buildings	Plant and Machinery	Electrical Fittings	Furniture & Fixture	Fit outs	Computers	Air Conditioners	UPS	Others	Photocopier Machine	Multi level Car Park	Vehicles	Total
Cost as at March 31, 2017	23.49	1,624.37	138.17	255.85	75.21	188.98	3.06	70.87	54.96	14.67	1.69	82.66	55.80	2,589.78
Additions	-	36.41	-	54.10	5.62	117.83	0.62	11.79	-	0.46	1.79	-	19.45	248.07
Disposals	-	-	-	-	-	-	-	(4.78)	-	-	(2.52)	-	(10.79)	(18.09)
Cost as at March 31, 2018	23.49	1,660.78	138.17	309.95	80.83	306.81	3.68	77.88	54.96	15.13	0.96	82.66	64.46	2,819.76
Additions	-	39.10	-	-	-	588.64	5.35	11.97	-	3.58	-	-	0.74	649.38
Disposals	-	-	-	(18.14)	(7.71)	(134.33)	(1.83)	-	-	(3.03)	-	-	-	(165.04)
Cost as at March 31, 2019	23.49	1,699.88	138.17	291.81	73.12	761.12	7.20	89.85	54.96	15.68	0.96	82.66	65.20	3,304.10
Depreciation/ Amortisation														
As at March 31, 2017	-	53.09	30.19	31.58	33.65	88.65	1.76	14.86	14.62	1.89	0.94	15.10	17.66	303.99
Charge for the year	-	53.39	30.20	40.19	24.77	62.96	1.02	14.89	13.65	5.43	0.57	15.10	17.76	279.92
Disposals	-	-	-	-	-	-	-	(4.78)	-	-	(2.52)	-	(8.37)	(15.67)
As at March 31, 2018	-	106.48	60.39	71.77	58.42	151.61	2.78	24.97	28.27	7.32	(1.01)	30.20	27.05	568.24
Charge for the year	-	54.16	30.20	37.18	18.15	122.66	1.51	15.91	14.23	4.93	0.58	15.10	17.18	331.77
Disposals	-	-	-	(18.14)	(7.71)	(127.92)	(1.84)	-	-	(2.85)	-	-	-	(158.46)
As at March 31, 2019	-	160.64	90.59	90.81	68.86	146.35	2.45	40.88	42.50	9.40	(0.43)	45.30	44.23	741.55
Net Block														
As at March 31, 2018	23.49	1,554.30	77.78	238.18	22.41	155.21	0.90	52.91	26.69	7.81	1.97	52.46	37.41	2,251.52
As at March 31, 2019	23.49	1,539.24	47.58	201.00	4.26	614.77	4.75	48.97	12.46	6.28	1.39	37.36	20.97	2,562.52

## Notes to Financial Statements for the year ended March 31, 2019

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
<b>5 Capital Work in Progress</b>		
Capital work in progress	58.79	36.91
	<b>58.79</b>	<b>36.91</b>
<b>6 Non-current assets - Financial Assets: Investments</b>		
<b>Investments in Equity shares in Others FVTOCI</b>		
<b>Trade Unquoted</b>		
3,025,300 Equity Shares (As at March 31, 2018 3,025,300) of Rs.10 each fully paid up in IG3 Infra Ltd (Formerly known as Indian Green Grid Group Ltd)	310.09	344.28
<b>Investments in Mutual Funds FVTPL</b>		
<b>Trade Quoted</b>		
4,000,000 units (As at March 31, 2018 4,00,000 units ) in Axis Bank Hybrid Series 27 Growth Fund	493.05	460.21
	<b>803.14</b>	<b>804.49</b>
<b>Total non-current investments</b>		
Aggregate amount of quoted investments	493.05	460.21
Aggregate market value of quoted investments	493.05	460.21
Aggregate cost of unquoted investments	302.53	302.53
Aggregate amount of impairment in value of investments	-	(7.57)

### Note:

The board of directors of the subsidiary company at their meeting held on 28th August, 2017 made a declaration of solvency and approved the proposal for voluntary winding up of the affairs of the subsidiary company. The Members of the subsidiary have approved the voluntary winding up process by a special resolution passed on 1st September, 2017. The Liquidator has made the application for dissolution before the Honorable National Company Law tribunal, Chennai Bench under the provisions of Insolvency and bankruptcy code, 2016 read with rules thereon for which approval has been received on 5th December, 2018. Pursuant to the same, Elnet software city limited is ceased to be a subsidiary of the company with effect from 1st September, 2017.

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(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
<b>7 Other non-current financial assets</b>		
(Unsecured, considered good)		
Land Lease Deposit	6.98	6.49
Security deposit with electricity and other departments	76.55	72.26
Loans to staff	2.22	-
Lease Prepayments	853.75	865.99
Bank Deposits with more than 12 months maturity	100.00	200.00
	<b>1,039.50</b>	<b>1,144.74</b>
<b>8 Income Tax Assets (Net)</b>		
(Unsecured, considered good)		
Advance Income Tax (net of provisions)	74.64	75.93
	<b>74.64</b>	<b>75.93</b>
<b>9 Other Non Current Assets</b>		
(Unsecured, considered good)		
Capital Advance	192.04	-
	<b>192.04</b>	<b>-</b>
<b>10 Current assets - Financial Assets: Trade receivables</b>		
Unsecured, considered good	208.56	235.52
	208.56	235.52
Less: Allowance for expected credit losses	-	-
	<b>208.56</b>	<b>235.52</b>
<b>11 Cash and cash equivalents</b>		
Balances with Banks		
In Current Account	54.90	39.93
In Deposit Account (maturing within 3 months)	100.00	385.00
Cash- on- Hand	0.43	0.17
	<b>155.33</b>	<b>425.10</b>
<b>12 Bank balances other than cash and cash equivalents</b>		
In fixed deposits (maturing after 3 months within 12 months from end of the reporting date)	4,200.00	3,575.00
In earmarked bank accounts		
Unpaid Dividend Account	18.13	22.24
	<b>4,218.13</b>	<b>3,597.24</b>

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
<b>13 Other financial current assets</b>		
(Unsecured, considered good)		
Interest Accrued but not Due on Deposits	100.2	223.03
	<b>100.20</b>	<b>223.03</b>
<b>14 Other current assets</b>		
(Unsecured, considered good)		
Advances to Suppliers	6.47	5.55
Advances to Employees	0.67	0.29
Balance with government authorities - Input tax credit receivable	-	9.06
Prepaid Expenses	42.75	17.41
Others	14.41	9.77
	<b>64.30</b>	<b>42.08</b>
<b>15 Equity Share Capital</b>		
<b>Authorised Share Capital</b>		
5,000,000 (March 31, 2018 : 500,000) Equity shares of Rs.10 each	500.00	500.00
	<b>500.00</b>	<b>500.00</b>
<b>Issued, Subscribed and paid up Share Capital</b>		
4,000,007 (March 31, 2018 : 400,007 ) Equity shares of Rs.10 each	400.00	400.00
	<b>400.00</b>	<b>400.00</b>

**Note:**

**(a) Reconciliation of number of equity shares subscribed**

Balance as at the beginning of the year	4,000,007	4,000,007
Add: Issued during the year	-	-
Balance at the end of the year	<b>4,000,007</b>	<b>4,000,007</b>

**(b)** There is no movement in the number of equity shares during the year and in the previous year.

**(c) Rights, preferences and restrictions in respect of equity shares issued by the Company**

- The company has only one class of equity shares having a par value of Rs.10 each. Each holder of Equity shares is entitled to one vote per share rank pari-passu in all respects including voting rights and entitlement to dividend.
- The board of directors at its meeting held on 27th May, 2019 has recommended for the dividend of INR 1.50 per equity share held (Previous year INR 1.50 per equity share held) at 15 % (previous year 15%) on Equity shares. The recommended dividend is subject to the approval of shareholders of the Company in the ensuing 28th Annual General Meeting of the company.

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(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

3. In the event of liquidation, shareholders will be entitled to receive the remaining assets of the company after distribution of all preferential amounts. The distribution will be proportionate to the number of equity shares held by the shareholder.

**(d) Shareholders holding more than 5% of the total share capital**

Name of the share holder	March 31, 2019		March 31, 2018	
	No of shares	% of Holding	No of shares	% of Holding
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%
IDBI Bank Ltd	369,483	9.24%	369,483	9.24%

### 16 Other Equity

	As at March 31, 2019	As at March 31, 2018
General Reserve	2,912.21	2,912.21
Retained earnings	4,174.62	3,405.77
Other Reserves - Capital Subsidy	25.75	25.75
Actuarial movement through Other Comprehensive Income	3.09	2.40
Reserve for equity instruments through Other Comprehensive Income	5.48	29.71
	<b>7,121.15</b>	<b>6,375.84</b>

**a) General Reserve**

Balance at the beginning of the year	2,912.21	2,912.21
Balance at the end of the year	<b>2,912.21</b>	<b>2,912.21</b>

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to Statement of Profit or Loss.

**b) Retained earnings**

Balance at the beginning of the year	3,405.77	2,573.27
Net profit for the year	841.18	899.90
Dividends Paid	(60.00)	(56.00)
Taxes on Dividends Paid	(12.33)	(11.40)
Balance at the end of the year	<b>4,174.62</b>	<b>3,405.77</b>

Retained earnings represents the Company's undistributed earnings after taxes.

The Board has recommended on May 27, 2019, a dividend of Rs. 1.50 per share (15%) subject to the approval of the shareholders at the ensuing 28th Annual General Meeting.

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
<b>c) Other Reserves - Capital Subsidy</b>		
Balance at the beginning of the year	25.75	25.75
Balance at the end of the year	<b>25.75</b>	<b>25.75</b>
As per the provisions of G.O.M.S.No.149 Industries dated April 01,1991 the company was granted a Capital Subsidy in the year 1995 of Rs.25.75 Lakhs. Items included in the reserve will not be reclassified subsequently to Statement of Profit or Loss.		
<b>d) Actuarial movement through Other Comprehensive Income</b>		
Balance at the beginning of the year	2.40	1.27
Additions during the year	0.69	1.13
Balance at the end of the year	<b>3.09</b>	<b>2.40</b>
<b>e) Reserve for equity instruments through Other Comprehensive Income</b>		
Balance at the beginning of the year	29.71	-
Effect of measuring investments at fair value	(24.23)	29.71
Balance at the end of the year	<b>5.48</b>	<b>29.71</b>
This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed off.		
<b>17 Other financial liabilities</b>		
Non Cancellable Compensation Deposits	910.04	161.77
Token Deposit	6.41	5.59
Unamortised Interest income	179.75	28.11
	<b>1,096.20</b>	<b>195.47</b>
<b>18 Provisions (Non -current)</b>		
Provision for Employee Benefits		
Compensated absences (Refer Note 41)	5.16	3.19
Gratuity (Refer Note 41)	4.16	7.23
	<b>9.32</b>	<b>10.42</b>
<b>19 Deferred Tax Liability/ (Asset) - Net</b>		
<b>Deferred Tax Liability</b>		
On Fixed Assets	38.23	67.86
Deferred Tax created on OCI Items	3.27	12.95
	<b>41.50</b>	<b>80.81</b>
<b>Deferred Tax Asset</b>		
On expenses allowable for tax on payment basis	5.23	4.82
Amortisation of Land Registration Charges	13.35	13.51
	<b>18.58</b>	<b>18.33</b>
<b>Net deferred tax liability</b>	<b>22.92</b>	<b>62.48</b>

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(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
<b>20 Borrowings (Unsecured)</b>		
Loans and advances from related parties*		
Shanmugham Thiagarajan	-	366.25
Stur Technologies Private Ltd	426.34	60.09
	<b>426.34</b>	<b>426.34</b>
* repayable on demand		
<b>21 Trade Payables</b>		
Trade Payables	20.76	18.12
	<b>20.76</b>	<b>18.12</b>
Refer to Note 35 for dues to enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 which is on the basis of such parties having been identified by the management and relied upon by the auditors.		
<b>22 Other financial liabilities (other than those specified above)</b>		
Cancellable Compensation Deposit	295.52	927.79
Compensation Deposit-maturing in 1 year (Non Cancellable)	4.80	371.15
Unpaid Dividend	18.13	22.24
Interest on disputed dividend (net)	1.46	1.46
Advance from customers	25.00	-
Security Deposit	10.00	9.25
	<b>354.91</b>	<b>1,331.89</b>
<b>23 Provisions (Current)</b>		
Provision for Employee Benefits		
Compensated absences (Refer Note 41)	0.76	1.08
Gratuity (Refer Note 41)	-	2.41
	<b>0.76</b>	<b>3.49</b>
<b>24 Other current liabilities</b>		
Statutory dues payable	17.39	4.42
Employee benefits payable	7.40	8.09
	<b>24.79</b>	<b>12.51</b>



(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>25 Revenue from operations</b>		
Sale of Services		
Compensation Income	1,738.54	1,764.82
Other operating revenues	365.91	456.55
	<b>2,104.45</b>	<b>2,221.37</b>
<b>26 Other income</b>		
Interest Income	376.32	326.31
Other Non-Operating Income	67.92	40.65
	<b>444.24</b>	<b>366.96</b>
(i) Interest Income comprises of		
On Deposits	374.04	282.28
On Loans to Employees	0.14	-
On Income Tax Refund	2.14	44.03
	<b>376.32</b>	<b>326.31</b>
(ii) Other Non-Operating Income comprises of		
Profit on sale of Fixed Assets	-	0.43
Income on investments carried at fair value through profit & loss	32.84	32.35
Other Receipts	35.08	7.87
	<b>67.92</b>	<b>40.65</b>
<b>27 Employee benefits expense</b>		
Salaries and Wages	106.20	96.42
Contributions to provident and other funds	10.57	9.15
Staff welfare expenses	5.03	5.73
	<b>121.80</b>	<b>111.30</b>
<b>28 Depreciation and amortisation expense</b>		
Depreciation of property, plant and equipment	331.77	279.92
	<b>331.77</b>	<b>279.92</b>

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(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>29 Other expenses</b>		
Electricity	263.66	294.75
Diesel	58.94	46.11
Water	25.68	20.72
Rent including lease rentals	12.24	12.24
Repairs and maintenance		
Buildings	134.52	191.58
Machinery	21.52	32.40
Others	116.64	145.66
Insurance	10.39	12.02
Rates and taxes	45.27	30.23
Communication expenses	4.26	3.26
Travelling and conveyance	23.60	18.35
Printing and stationery	5.30	5.35
Business promotion expenses	15.18	10.43
Legal and professional charges	21.30	40.35
Payments to auditors (refer note below)	6.02	6.00
Sitting fees	7.84	9.24
Contribution towards Corporate Social Responsibility (refer note below)	22.79	20.26
Brokerage and Miscellaneous Expenses	59.94	42.57
Loss on sale of fixed assets	3.46	-
Provision for bad debts	0.46	-
	<b>859.01</b>	<b>941.52</b>
<b>Payments to auditors</b>		
For Statutory Audit	4.00	4.00
For Tax Audit	1.00	1.00
For Limited Review	1.02	1.00
	<b>6.02</b>	<b>6.00</b>
<b>Expenditure on Corporate Social Responsibility</b>		
Gross amount required to be spent on Corporate Social Responsibility during the year	22.79	13.21
Amount spent during the year on		
(i) Construction and/ or acquisition of any asset	-	-
(ii) Other purposes [other than (i) above]	22.79	20.26
	<b>22.79</b>	<b>20.26</b>
Amount unspent during the year	Nil	Nil

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>30 Finance costs</b>		
Implicit interest on compensation deposits	69.82	19.29
	<b>69.82</b>	<b>19.29</b>
<b>31 Exceptional items</b>		
Provision for diminution in value of investment	-	3.15
	<b>-</b>	<b>3.15</b>
<b>32 Income tax expense</b>		
<b>(a) Income tax expense</b>		
<b>Current tax</b>		
Current tax on profits for the year	355.00	370.00
Current tax for prior period	-	(23.61)
<b>Total current tax expense</b>	<b>355.00</b>	<b>346.39</b>
<b>Deferred tax</b>		
Deferred tax adjustments	(29.89)	(13.14)
<b>Total deferred tax expense/(benefit)</b>	<b>(29.89)</b>	<b>(13.14)</b>
<b>Income tax expense</b>	<b>325.11</b>	<b>333.25</b>
<b>(b) Reconciliation of tax expense and accounting profit for the year is as under:</b>		
<b>Profit before tax</b>	<b>1166.29</b>	<b>1,233.15</b>
Income tax expense calculated 29.12% (Previous Year - 28.84%)	339.62	355.64
Tax Effect on non - deductible expenses (Net)	(14.52)	1.22
<b>Total</b>	<b>325.10</b>	<b>356.86</b>
Adjustments in respect of current income tax of previous year	-	(23.61)
<b>Tax Expense as per Statement of Profit and Loss</b>	<b>325.10</b>	<b>333.25</b>

**(c) Movement of deferred tax expense during the year ended March 31, 2019**

Deferred tax (liabilities)/ assets in relation to:	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
Property, plant, and equipment and Intangible Assets	(108.59)	-	-	(108.59)
Remeasurement of financial instruments under Ind AS	-	-	-	-
Other temporary differences	46.14	29.89	9.67	85.70
	(62.45)	29.89	9.67	(22.89)

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(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### (d) Movement of deferred tax expense during the year ended March 31, 2018

Deferred tax (liabilities)/assets in relation to:	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
Property, plant, and equipment and Intangible Assets	(108.59)	-	-	(108.59)
Remeasurement of financial instruments under Ind AS	-	-	-	-
Other temporary differences	45.28	13.14	(12.28)	46.14
	(63.31)	13.14	(12.28)	(62.45)

For the year ended  
March 31, 2019      For the year ended  
March 31, 2018

### 33 Earnings per share

Profit for the year attributable to owners of the Company	817.63	899.90
Weighted average number of ordinary shares outstanding	4,000,007	4,000,007
Basic earnings per share (Rs)	20.44	22.50
Diluted earnings per share (Rs)	20.44	22.50

### 34 Expenditure in foreign currency

NIL      NIL

### 35 Disclosures required by the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 are as under

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a) The principal amount remaining unpaid at the end of the year	8.06	0.32
(b) Delayed payments of principal amount paid beyond the appointed date during the year	-	-
(c) Interest actually paid under Section 16 of MSMED Act	-	-
(d) Normal Interest due and payable during the year, for all the delayed payments, as per the agreed terms	-	-
(e) Total interest accrued during the year and remaining unpaid	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management represents the principal amount payable to these enterprises. There are no interest due and outstanding as at the reporting date.

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### 36 Commitments and contingent liabilities

#### Contingent Liabilities

##### 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 (ITAT).

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 tax liability of Rs.100.58 Lakhs.

In the opinion of the management, the company has a strong case to defend based on the decisions of the ITAT, High Courts and judicial precedence.

##### (ii) Lease Rent

In respect of claim made by Electronics Corporation of Tamilnadu Limited (ELCOT) during the year 2009-10 for a sum of Rs.956 Lakhs 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.

During the year, ELCOT demanded interest on delayed payment of Lease Rent amounting to Rs.1,071 Lakhs for the period May 18, 2000 upto August 8, 2017. The management based on its assessment and legal advice obtained is confident of the outcome of the matters in its favour.

### 37 Operating Segments

The company is engaged in the business of 'Developing and maintaining integrated software technology parks' and therefore, has only one reportable segment in accordance with Ind AS 108 'Operating Segments'. The Company's revenue is generated only within India and all operating assets are also located only in India. Accordingly, no disclosure relating to geographical location is applicable.

### 38 Operating lease arrangements

##### (i) The company as a lessee

The Company has an operating lease arrangement for a period of 90 years. The company does not have an option to purchase the leased land at the expiry of the lease period

Lease payments recognised as an expense	For the year ended March 31, 2019	For the year ended March 31, 2018
Minimum lease payments	12.24	12.24

Future minimum lease payments under non-cancellable operating leases	As at March 31, 2019	As at March 31, 2018
Not later than 1 year	12.24	12.24
Later than 1 year but not later than 5 years	61.20	61.20
Later than 5 years	780.31	792.55

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### (ii) The company as a lessor

Operating leases relate to the properties owned by the company with lease terms of between 1 to 10 years, with an option to extend for further period. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period. The future minimum lease payments are as follows:

Future minimum lease payments under non-cancellable operating leases	As at March 31, 2019	As at March 31, 2018
Not later than 1 year	1,577.00	704.00
Later than 1 year but not later than 5 years	4,158.00	2,207.05
Later than 5 years	3.00	-

## 39 Financial Instruments

### Capital management

The Company's capital management objective is to maximise the total shareholder return by optimising cost of capital through flexible capital structure that supports growth. Further, the Company ensures optimal credit risk profile to maintain/enhance credit rating.

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

The following table summarises the capital of the Company:

Particulars	As at March 31, 2019	As at March 31, 2018
Equity	400.00	400.00
Debt	426.34	426.34
Cash and cash equivalents	155.33	425.10
<b>Net debt</b>	<b>271.01</b>	<b>1.24</b>
<b>Net Debt to Equity ratio</b>	<b>67.75</b>	<b>0.31</b>

### Fair Value Measurements

The following table shows the carrying amounts and fair values of financial assets and financial liabilities including their levels in fair value hierarchy.

Categories of Financial Instruments	March 31, 2019	March 31, 2018
<b>Financial assets</b>		
<b>a. Measured at amortised cost</b>		
Other non-current financial assets	1,039.50	1,144.74
Trade receivables	208.56	235.52
Cash and cash equivalents	155.33	425.10
Bank balances other than above	4,218.13	3,597.24
Other current financial assets	100.20	223.03
<b>b. Mandatorily measured at fair value through profit or loss (FVTPL)</b>		
Investments - Level 1	493.05	460.21

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

<b>c. Mandatorily measured at fair value through other Comprehensive Income (FVTOCI)</b>		
Investments - Level 2	310.09	344.28
<b>Financial Liabilities</b>		
<b>a. Measured at amortised cost</b>		
Borrowings	426.34	426.34
Other non-current financial liabilities	1,096.20	195.47
Trade payables	20.76	18.12
Other financial liabilities	354.91	1,331.89

### **Financial risk management objectives**

The Company's activities expose it to a variety of financial risks, credit risks, liquidity risks and market risks.

The Company's board of directors has overall responsibility for the establishment and oversight of the risk management framework.

The Risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls and to monitor risks and adhere to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and company's activities. The company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

### **Market risk**

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities do not have any exposure to such risks.

### **Foreign currency risk management & Sensitivity Analysis**

The Company's operations do not involve transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations does not arise. Accordingly, the Company does not have any exposure to such risks.

There are no hedged or unhedged foreign currency exposure outstanding as at March 31, 2019 & March 31, 2018

### **Interest rate risk management & Sensitivity Analysis**

The Company has only interest free short term borrowings and accordingly is not exposed to interest rate risk.

### **Credit risk management**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is not subject to major credit risk as the majority of its trade receivables are covered by means of interest free security deposit taken at the inception of the agreement.

### **Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, margin money and other financial assets excluding equity investments.

#### **(a) Trade Receivables**

Trade receivables are consisting of a large number of customers. The Company has credit evaluation policy for each customer and, based on the evaluation, credit limit of each customer is defined. Wherever the Company assesses the credit risk as high, the exposure is backed by security deposits taken at the time of entering into agreement with the customers.

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The Company does not have higher concentration of credit risks to a single customer. As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

### (b) Investments, Cash and Cash Equivalents and Bank Deposits

Credit Risk on cash and cash equivalents, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions, who have been assigned high credit rating by international and domestic rating agencies.

Investments of surplus funds are made only with approved Financial Institutions/Counterparty. Investments primarily include investment in units of quoted Mutual Funds, etc. These Mutual Funds and Counterparties have low credit risk.

### Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company invests its surplus funds in bank fixed deposit and mutual funds, which carry minimal mark to market risks. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

### Liquidity tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

As at March 31, 2019	Due in 3 months	Due in 3 months to 1st year	Due in 1st to 5th year	Due after 5th year	Total Carrying amount
Trade payables	20.76	-	-	-	20.76
Cancellable & Non Cancellable Deposits	73.08	139.85	1,105.31	71.92	1,390.16
Other financial liabilities	10.00	-	25.00	-	35.00
Other current Liabilities	17.39	7.40	-	-	24.79
	<b>121.23</b>	<b>147.25</b>	<b>1,130.31</b>	<b>71.92</b>	<b>1,470.71</b>

As at March 31, 2018	Due in 3 months	Due in 3 months to 1st year	Due in 1st to 5th year	Due after 5th year	Total Carrying amount
Trade payables	18.12	-	-	-	18.12
Cancellable & Non Cancellable Deposits	584.30	126.83	717.41	61.66	1,490.21
Other financial liabilities	9.25	23.70	-	-	32.95
Other current Liabilities	4.43	8.09	-	-	12.52
	<b>616.10</b>	<b>158.62</b>	<b>717.41</b>	<b>61.66</b>	<b>1,553.80</b>

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):	March 31, 2019	March 31, 2018
	Nil	Nil



(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

#### 40 Related party disclosure

##### a) List of parties having significant influence

<b>Holding company</b>	The Company does not have any holding company
<b>Entity having significant Influence</b>	Electronics Corporation of Tamil Nadu Ltd (ELCOT)
<b>Other Enterprises with which promoter has significant influence</b>	IG3 Infra Ltd Stur Technologies Pvt Ltd

##### Key management personnel

Mrs. Unnamalai Thiagarajan	Managing Director
Thirumathi E Kamakshi	Chief Financial Officer
Thiru.T.Joswa Johnson	Company Secretary

##### Relatives of Key management personnel

Thiru Shanmugham Thiagarajan	Spouse of Managing Director
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##### b) Transactions during the year

S. No	Nature of transactions	Year ended March 31, 2019	Year ended March 31, 2018
1	Electronics Corporation of Tamil Nadu Ltd (ELCOT) Lease Rent Sitting Fees	12.24 0.91	12.24 0.70
2	Tmt Unnamalai Thiagarajan Remuneration	14.00	14.00
3	Tmt E Kamakshi Remuneration Contribution to PF and Other Funds	13.01 1.11	8.98 0.69
4	Thiru T. Joswa Johnson Remuneration Contribution to PF and Other Funds	5.46 0.44	1.83 0.15

##### c) Balances outstanding at the end of the year

S. No	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
1	Electronics Corporation of Tamil Nadu Ltd (ELCOT) Deposit given for leasehold land	860.73	872.48
2	Thiru Shanmugham Thiagarajan Unsecured Loans	-	366.25
3	Stur Technologies Pvt Ltd Unsecured Loans Interest on disputed dividend	426.34 1.46	60.09 1.46

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### d) Investment in Equity shares

S. No	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
1	IG3 Infra Ltd (Formerly Indian Green Grid Group Ltd)	310.09	344.28

## 41 Retirement benefit plans

### Defined contribution plans

The total expense recognised in profit or loss of Rs.10.57 lakhs (for the year ended March 31, 2018: Rs. 7.23 lakhs) represents contribution paid to these plans by the Company at rates specified in the rules of the plan.

### Defined benefit plans

In respect of Gratuity plan and Compensated absences plan, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as on March 31, 2019. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit cost method. The following table sets forth the status of the Gratuity Plan & Compensated absences plan of the Company and the amount recognised in the Balance Sheet and Statement of Profit and Loss. The Company provides the gratuity benefit through annual contributions to insurer managed funds.

These plan typically expose the Company to actuarial risks such as: investment risk, interest rate risk, demographic risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
Demographic Risk	The Company has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption.
Salary Escalation risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

In respect of the plan in India, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2019 by Mr.Srinivasan Nagasubramanian, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

No other post-retirement benefits are provided to these employees.

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### (a) Gratuity

Gratuity is payable as per Payment of Gratuity Act, 1972. In terms of the same, gratuity is computed by multiplying last drawn salary (basic salary including dearness Allowance if any) by completed years of continuous service with part thereof in excess of six months and again by 15/26. The Act provides for a vesting period of 5 years for withdrawal and retirement and a monetary ceiling on gratuity payable to an employee on separation, as may be prescribed under the Payment of Gratuity Act, 1972, from time to time. However, in cases where an enterprise has more favourable terms in this regard the same has been adopted.

**The principal assumptions used for the purposes of the actuarial valuations were as follows:**

Particulars	March 31, 2019	March 31, 2018
Mortality Table	Indian Assured Lives (2006-08) Ultimate	Indian Assured Lives (2006-08) Ultimate
Discount Rate	7.75% p.a.	7.50% p.a.
Rate of increase in compensation level	12.00% p.a.	12.00% p.a.
Employee Attrition rate	9.50% p.a.	9.50% p.a.
Rate of Return on Plan Assets	7.75% p.a.	7.52% p.a.

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.

**Amounts recognised in total comprehensive income in respect of these Gratuity plan is as follows:**

	March 31, 2019	March 31, 2018
Current service cost	1.86	3.72
Net interest expense	1.74	2.07
Return on plan assets (excluding amounts included in net interest expense)	(1.27)	(1.29)
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>2.33</b>	<b>4.50</b>

Remeasurement on the net defined benefit liability comprising:

	March 31, 2019	March 31, 2018
Actuarial (gains)/losses recognised during the period	(0.96)	(2.75)
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>(0.96)</b>	<b>(2.75)</b>

- The current service cost and the net interest expense for the year are included in the 'employee benefits expense' in profit or loss.
- The remeasurement of the net defined benefit liability is included in other comprehensive income.

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(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

**The amount included in the balance sheet arising from the Company's obligation in respect of its Gratuity plan is as follows:**

	March 31, 2019	March 31, 2018
Present value of defined benefit obligation	20.15	27.94
Fair value of plan assets	(16.00)	(18.31)
<b>Net liability/ (asset) arising from defined benefit obligation</b>	<b>4.15</b>	<b>9.63</b>
Funded	4.15	12.87
	<b>4.15</b>	<b>9.63</b>

The above provisions are reflected under 'Provision for employee benefits- gratuity' (Long and short-term provisions) [Refer note 18 and 23].

**Movements in the present value of the defined benefit obligation in the current year were as follows:**

	March 31, 2019	March 31, 2018
Opening defined benefit obligation	27.94	31.34
Current service cost	1.86	3.72
Interest cost	1.74	2.07
Actuarial (gains)/losses	(0.68)	(2.36)
Benefits paid	(10.71)	(6.83)
Closing defined benefit obligation	<b>20.15</b>	<b>27.94</b>

**Movements in the fair value of the plan assets in the current year were as follows:**

	March 31, 2019	March 31, 2018
Opening fair value of plan assets	18.31	18.47
Adjustments to the opening balance	-	1.80
Return on plan assets	1.27	1.29
Contributions	6.85	3.18
Benefits paid	(10.71)	(6.82)
Actuarial gains/(loss)	0.28	<b>0.39</b>
Closing fair value of plan assets	16.00	18.31

### Sensitivity Analysis

Sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods of assumptions used in preparing the sensitivity analysis from prior years.

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

**Maturity profile of benefit payments**

Incidence of Payment	March 31, 2019
By the end of First Year	107,687
Between Year 1 and Year 2	91,441
Between Year 2 and Year 3	90,447
Between Year 3 and Year 4	89,525
Between Year 4 and Year 5	88,664
Between Year 5 and Year 10	711,964

**(b) Compensated absences**

The compensated absences scheme is a final salary defined benefit plan, that provides for a lumpsum payment at the time of separation; based on scheme rules the benefits are calculated on the basis of last drawn salary and the leave count at the time of separation and paid as lumpsum.

**The principal assumptions used for the purposes of the actuarial valuations were as follows:**

Particulars	March 31, 2019	March 31, 2018
Mortality Table	Indian Assured Lives (2006-08) Ultimate	Indian Assured Lives (2006-08) Ultimate
Discount Rate	7.74% p.a.	7.50% p.a.
Rate of salary escalation	12.00% p.a.	12.00% p.a.
Employee Attrition rate	9.50% p.a.	10.00% p.a.

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.

**Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:**

	March 31, 2019	March 31, 2018
Current service cost	3.26	1.02
Net interest expense	0.25	0.69
Actuarial (gains)/losses recognised during the period	0.23	(3.93)
Return on plan assets (excluding amounts included in net interest expense)	-	-
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>3.74</b>	<b>(2.22)</b>

## TWENTY EIGHTH ANNUAL REPORT 2018 - 19

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

<b>The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Present value of defined benefit obligation	5.92	4.27
Fair value of plan assets	-	-
<b>Net liability/ (asset) arising from defined benefit obligation</b>	<b>5.92</b>	<b>4.27</b>
Unfunded	5.92	4.27

The above provisions are reflected under 'Provision for employee benefits- Compensated Absences (Long and short-term provisions) [Refer note 17 and 22].

<b>Movements in the present value of the defined benefit obligation in the current year were as follows:</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Opening defined benefit obligation	4.27	13.14
Current service cost	3.26	1.02
Interest cost	0.25	0.69
Actuarial (gains)/losses	0.23	(3.93)
Benefits paid	(2.08)	(6.65)
Closing defined benefit obligation	<b>5.92</b>	<b>4.27</b>

As the Company does not have any plan assets, the movement of present value of defined benefit obligation and fair value of plan assets has not been presented.

### Sensitivity Analysis

Sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods of assumptions used in preparing the sensitivity analysis from prior years.

- 42** The financial statements were approved for issue by the Board of Directors on May 27, 2019.
- 43** The figures for the previous year have been reclassified/regrouped wherever necessary for better understanding and comparability.

### For and on behalf of the Board

**Unnamalai Thiagarajan**  
Managing Director  
(DIN : 00203154)

Place : Chennai  
Date : 27th May, 2019

**G. Chellakrishna**  
Independent Director  
(DIN : 01036398)

**E. Kamakshi**  
Chief Financial Officer

**N. Srivathsa Desikan**  
Non-Executive Director  
(DIN : 08205725)

**T. Joswa Johnson**  
Company Secretary

As per our Report of even date

**For MSKA & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 105047W

**Geetha Jeyakumar**  
Partner  
Membership No: 029409

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## **Notes to Financial Statements for the year ended March 31, 2019**

### **1 Corporate 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 Information Technology and Information technology enabled services industry companies.

### **2 Basis of preparation of financial statements**

#### **Statement of compliance**

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

#### **Basis of preparation and presentation**

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- a) Derivative financial instruments
- b) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

#### **Use of estimates**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

#### **Functional and presentation currency**

"These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest lakhs (up to two decimals).

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The financial statements are approved for issue by the Company's Board of Directors on May 27, 2019."

### **2.1 Critical accounting estimates and management judgments**

The management believes that the estimates used in the preparation of financial statements are prudent and reasonable.

Information about significant areas of estimation, uncertainty and critical judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

#### **Property, Plant and Equipment (PPE)**

The residual values and estimated useful life of PPE are assessed by the technical team at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement and maintenance support. Upon review, the management accepts the assigned useful life and residual value for computation of depreciation/amortisation. Also, management judgement is exercised for classifying the asset as investment properties or vice versa.

#### **Current tax**

Calculations of income taxes for the current period are done based on applicable tax laws and management's judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

#### **Deferred Tax Assets**

Significant management judgement is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained / recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

#### **Fair value**

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.



### **Impairment of Trade Receivables**

The impairment for trade receivables are done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward looking estimates at the end of each reporting date.

### **Impairment of Non-financial assets (Property, Plant and Equipment)**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budgets. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Company.

### **Defined Benefit Plans and Other long term benefits**

“The cost of the defined benefit plan and other long term benefits, and the present value of such obligation are determined by the independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual developments in future. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.”

## **3 Significant Accounting Policies**

### **a) Current versus non-current classification**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set-out in the Act. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be

### **b) Fair value measurement**

The Company has applied the fair value measurement wherever necessitated at each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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- i) In the principal market for the asset or liability;
- ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non - financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and the best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

“Level 1 : Quoted (unadjusted) market prices in active market for identical assets or liabilities;“

“Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and“

Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company has designated the respective team leads to determine the policies and procedures for both recurring and non - recurring fair value measurement. External valuers are involved, wherever necessary with the approval of Company's board of directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

For the purpose of fair value disclosure, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risk of the asset or liability and the level of the fair value hierarchy as explained above. The component wise fair value measurement is disclosed in the relevant notes.

## **c) Revenue Recognition**

### **Sale of services**

Income from sale of services, which comprise of providing complete infrastructure services required to run, maintain, manage and administer software technology park housing sophisticated modules with infrastructure facilities required for Information Technology / Information technology enabled service industry, is recognised when the services are rendered as per the terms of the agreement and when no significant uncertainty as to its determination or realisation exists. The modules are provided with complete facilities like air conditioning, uninterrupted power supply, generators etc. internet connectivity to offer seamless end to end infrastructure facility required by an Information Technology / Information technology enabled service industry Company to run its business. Elnet has also set up a permanent establishment to maintain these facilities for its customers to ensure uninterrupted business activities.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

### **Interest Income**

Interest income is recorded using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

### **Power Generation**

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

### **Dividend income**

Dividend income is recognized when the company's right to receive dividend is established by the reporting date, which is generally when shareholders approve the dividend.

## **d) Property, plant and equipment and capital work in progress**

### **Deemed cost option for first time adopter of Ind AS**

Under the previous GAAP (Indian GAAP), property, plant and equipment were carried in the balance sheet at cost less accumulated depreciation. The Company has elected to consider

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the previous GAAP carrying amount of the Property, Plant and Equipment as the deemed cost as at the date of transition, viz., 1 April 2016.

### Presentation

Property, plant and equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs of a qualifying asset, if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Advances paid towards the acquisition of tangible assets outstanding at each balance sheet date, are disclosed as capital advances under other non-current assets and the cost of the tangible assets not ready for their intended use before such date, are disclosed as capital work in progress.

### Derecognition

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

### e) Depreciation on property, plant and equipment

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life on a straight line method. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost. Residual value for all assets is considered as NIL.

Depreciation is provided on straight line method, over the useful lives specified in Schedule II to the Companies Act, 2013 except for the following items, where useful life estimated on technical assessment, past trends and differ from those provided in Schedule II of the Companies Act, 2013.

Assets Category	Estimated useful life (in years)
Fit outs	4.00
Furniture and Fixtures	4.00
Multi Level Car Park	13.50
Office Equipments	4.00
Vehicle – Car	4.00

Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion/disposals, the depreciation is calculated on pro-rata basis up to the

date on which such assets have been discarded/sold. Additions to fixed assets, costing 5000 each or less are fully depreciated retaining its residual value.

The residual values, estimated useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

## **f) Financial Instruments**

### **Financial assets**

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

#### **Initial recognition and measurement**

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below:

#### **Non-derivative financial assets**

##### **Subsequent measurement**

##### **Financial assets carried at amortised cost**

A financial asset is measured at the amortised cost, if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method."

For purposes of subsequent measurement, financial assets are classified on the basis of their contractual cash flow characteristics and the entity's business model of managing them.

#### **Investments in equity instruments of subsidiaries, joint ventures and associates**

Investments in equity instruments of subsidiaries, joint ventures and associates are accounted for at cost in accordance with Ind AS 27 Separate Financial Statements.

#### **Investments in other equity instruments**

Investments in equity instruments which are held for trading are classified as at fair value through profit or loss (FVTPL). For all other equity instruments, the Company makes an

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irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same either as at fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL). Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. However, the Company transfers the cumulative gain or loss within equity. Dividends on such investments are recognized in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

### Investment in Mutual Funds

Investments in mutual funds are measured at fair value through profit and loss (FVTPL).

Classification	Name of the financial asset
Amortised cost	Trade receivables, Loans to employees, and others, deposits, interest receivable and other advances recoverable in cash.
FVTOCI	Equity investments in companies other than Subsidiaries and associates if an option is exercised at the time of initial recognition.
FVTPL	Other investments in equity instruments and mutual funds.

### Derecognition of financial assets

A financial asset is primarily de-recognized when the contractual rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

### Financial liabilities

#### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL and as at amortised cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

The measurement of financial liabilities depends on their classification, as described below:

### **Derecognition of financial liabilities**

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

### **Derivative financial instruments**

The Company does not hold any derivative financial instruments such as foreign exchange forward and options contracts.

### **Reclassification of financial assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### **Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

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### **g) Foreign currency transactions and translations**

#### **Transactions and balances**

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. However, for practical reasons, the Company uses an average rate, if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

### **h) Taxes**

#### **Current income tax**

Tax expense recognized in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity).

Minimum alternate tax ('MAT') credit entitlement is recognized as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

Deferred tax is recognized in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealised tax loss are recognized to the extent that it is probable that the underlying tax loss will be utilised against future taxable income.



This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside statement of profit and loss is recognized outside statement of profit or loss (either in other comprehensive income or in equity).

#### **i) Retirement and other employee benefits**

##### **Short-term employee benefits**

A liability is recognised for short-term employee benefit in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

##### **Defined contribution plans**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund and super annuation fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

##### **Defined benefit plans**

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

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### **Compensated absences**

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

### **Other long term employee benefits**

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by the employees up to the reporting date.

### **j) Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 1, 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are operating leases.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals, if any arising under operating leases are recognised as an expense in the period in which they are incurred.

#### **k) Impairment of non financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budgets. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

#### **l) Provisions, contingent liabilities and contingent asset**

##### **Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are discounted, if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Necessary provision for doubtful debts, claims, etc., are made if realisation of money is doubtful in the judgement of the management.

##### **Contingent liability**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Contingent liabilities are disclosed separately.

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Show cause notices issued by various Government authorities are considered for evaluation of contingent liabilities only when converted into demand.

### **Contingent assets**

Where an inflow of economic benefits is probable, the Company discloses a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect. Contingent assets are disclosed but not recognised in the financial statements.

### **m) Cash and cash equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash, which are subject to insignificant risk of changes in value.

### **n) Cash Flow Statement**

Cash flows are presented using indirect method, whereby profit / (loss) before 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.

Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents for the purpose of Cash flow statement.

### **o) Earnings per share**

The basic earnings per share are computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

### **3.1 Standards (including amendments) issued but not yet effective**

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment

Rules, has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from April 1, 2019:

**a) Ind AS 116 – Leases**

On March 30, 2019, the Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases standard, Ind AS 17, Leases, and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires the lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit and Loss. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for the adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019.

The company will adopt Ind AS 116 effective annual reporting period beginning April 1, 2019. The company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the company will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the company will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the Standard had been applied since the commencement date but discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value. On transition, the company will be using the practical expedient provided by the standard. The company is currently evaluating the effect in the adoption of this standard.

**b. Ind AS 12 - Income taxes (amendments relating to uncertainty over income tax treatments and income tax consequences on dividend distribution)"**

On March 30, 2019, the Ministry of Corporate Affairs has notified Ind AS 12, Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

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The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

The effective date for adoption of Ind AS 12 amendments are annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives. The Company is currently evaluating the effect of this amendment on the financial statements.

### **c. Ind AS 19- Plan amendment, curtailment or settlement (Amendment):**

On March 30, 2019, the Ministry of Corporate Affairs issued amendments to Ind AS 19, Employee Benefits, in connection with accounting for plan amendments, curtailments and settlements. The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The company does not expect this amendment to have any significant impact on its financial statements.

### **d. Ind AS 23 – Borrowing Costs (Amendment):**

On March 30, 2019, the Ministry of Corporate Affairs issued amendments to Ind AS 23, Borrowing Costs. The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The company does not have any impact from this amendment.

#### **For and on behalf of the Board**

**Unnamalai Thiagarajan**  
Managing Director  
(DIN : 00203154)

Place : Chennai  
Date : 27th May, 2019

**G. Chellakrishna**  
Independent Director  
(DIN : 01036398)

**E. Kamakshi**  
Chief Financial Officer

**N. Srivathsa Desikan**  
Non-Executive Director  
(DIN : 08205725)

**T. Joswa Johnson**  
Company Secretary

As per our Report of even date

**For MSKA & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 105047W

**Geetha Jeyakumar**  
Partner  
Membership No: 029409

**ELNET TECHNOLOGIES LIMITED**

CIN: L72300TN1990PLC019459

Registered office: Elnet Software City,

TS 140, Block No.2 & 9, Rajiv Gandhi Salai, Taramani, Chennai – 600 113

Phone No. : 91 - 44 - 2254 1791/93; Fax: 91 - 44 - 2254 1955

E-Mail: elnetcity@gmail.com; website: www.elnettechnologies.com

**ATTENDANCE SLIP**

**28<sup>TH</sup> ANNUAL GENERAL MEETING - 9TH AUGUST, 2019**

DP ID		Client ID	
Folio No		No of Shares	

I certify that I am a registered shareholder/ proxy for the registered shareholder of the Company and I hereby record my presence at the **28<sup>TH</sup> ANNUAL GENERAL MEETING** of the Members of the Company held on Friday, 9th August, 2019 at 11.00 A.M at New Woodlands Hotel Pvt. Ltd. located at No.72-75, Dr. Radhakrishnan Salai, Mylapore, Chennai - 600004.

\_\_\_\_\_  
**Shareholder's/Proxy's name in BLOCK LETTERS**

\_\_\_\_\_  
**Signature of Shareholder/Proxy**

**Note:** Please fill attendance slip and hand it over at the entrance of the meeting hall.

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## ELNET TECHNOLOGIES LIMITED

CIN: L72300TN1990PLC019459

Registered office: Elnet Software City, TS 140, Block No.2 & 9, Rajiv Gandhi Salai, Taramani, Chennai – 600 113

Phone No. : 91 - 44 - 2254 1791/93; Fax: 91 - 44 - 2254 1955

E-Mail : elnetcity@gmail.com; website: www.elnettechnologies.com

### PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s)	
Registered Address	
E-mail ID	
Folio No (or) DP ID / Client ID	

I/We, being the member(s) of \_\_\_\_\_ shares of Elnet Technologies Limited, hereby appoint

1) Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
Signature : \_\_\_\_\_ or failing him/her

2) Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
Signature : \_\_\_\_\_ or failing him/her

3) Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
Signature : \_\_\_\_\_ or failing him/her

as my / our proxy to attend and vote (on a poll) for me / us on my behalf at the 28th Annual General Meeting of the Company to be held on Friday, 9th day of August 2019 at 11.00 a.m. at New Woodlands Hotel Pvt. Ltd, 72-75 Dr. Radhakrishnan Road, Mylapore, Chennai-600004 and at any adjournment thereof in respect of such resolutions are indicated below: **Please Tick (✓)**

No.	Resolution	For	Against	No.	Resolution	For	Against
1	Adoption of audited Financial Statements and the Reports of the Board and the Statutory Auditors thereon			8	Re-appointment of Thiru G. Chellakrishna (DIN: 01036398) as Non-Executive Independent Director.		
2	Declaration a dividend of Rs. 1.50 per equity Share for the Financial Year ended 31st March, 2019			9	Re-appointment of Thiru R. Ganapathi (DIN: 00103623) as Non-Executive Independent Director.		
3	Appointment of director Thiru J. Ravi (DIN: 00042953) who retires by rotation.			10	Re-appointment of Thiru H Karthik Seshadri (DIN: 00203319) as Non-Executive Independent Director.		
4	Appointment of director Thiru C. Ramachandran (DIN: 00050893) who retires by rotation.			11	Re-appointment of Thiru K Kasim IPS., (Retd.,) (DIN:02959356) as Non-Executive Independent Director.		
5	Appointment of Thiru M. Vijayakumar IAS., (DIN: 08128389), as Chairman and Non-Executive Director.			12	Re-appointment of Thiru G. Senrayaperumal (DIN: 01458026) as Non-Executive Independent Director.		
6	Appointment of Thiru R. Madhavan (DIN: 02345801) as Non-Executive Director			13	Appointment of Thiru A.P Radhakrishnan (DIN:03642690) as Non-Executive Independent Director.		
7	Appointment of Thiru N. Srivathsa Desikan (DIN: 08205725) as Non-Executive Director.						

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2019

Signature of Shareholder : \_\_\_\_\_ Signature of Proxy holder(s) : \_\_\_\_\_

**Notes:** 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.

Affix  
1/-  
Revenue  
Stamp

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**ELNET TECHNOLOGIES LIMITED**

Registered office:  
Elnet Software City,  
TS 140, Block No. 2 & 9, Rajiv Gandhi Salai,  
Taramani, Chennai - 600 113