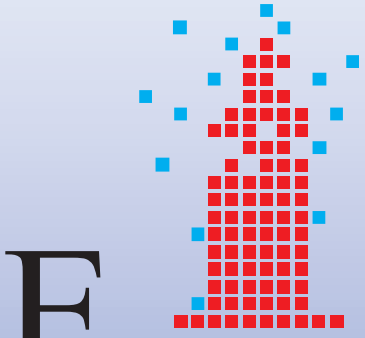


Elnet Technologies Ltd

25th Annual Report

2015 - 2016

Elnet Technologies Ltd

BOARD OF DIRECTORS	Thiru Atul Anand, IAS, Chairman Tmt. Unnamalai Thiagarajan, Managing Director Thiru C. Ramachandran,IAS(Retd.) Thiru J. Ravi Thiru R. Ganapathi Thiru H. Karthik Seshadri Thiru K. Padmanaban Thiru G. Senrayaperumal Dr.V. Dharmalingam Thiru K. Kasim,IPS (Retd.) Thiru G. Chellakrishna Thiru P. Manivanan Thiru R. Sridhar (Till 30.10.2015)
STATUTORY AUDITORS	M/s. S.H. Bhandari & Co. Chartered Accountants Bhandari Towers, 824, EVR Periyar Road Kilpauk, Chennai 600 010
BANKERS	M/s. State Bank of India Industrial Finance Branch 155, Anna Salai Chennai 600 002 M/s. Axis Bank Limited Thiruvanmiyur Branch Chennai 600 041 M/s. Canara Bank Tidel Park Branch, Chennai 600 113
REGISTERED OFFICE	Elnet Software City TS 140, Block No.2&9, Rajiv Gandhi Salai, Taramani, Chennai 600 113 Phone – 044 – 2254 1337 / 1098 Fax – 044 – 2254 1955 E-mail : elnet@md4.vsnl.net.in CIN : L72300TN1990PLC019459
REGISTRARS AND SHARE TRANSFER AGENTS	M/s. Cameo Corporate Services Limited “Subramanian Building”, 5th Floor No.1, Club House Road, Chennai 600 002 Phone - -044 – 2846 0390 (6 lines) Fax – 044 – 2846 0129

FINANCIAL HIGHLIGHTS

(In ₹ Lakhs)

HIGHLIGHTS	2015-16	2014-15	2013-14	2012-13	2011-12
Gross Revenue	2414.35	2330.04	2253.80	2169.21	1687.72
Profits Before Tax	979.78	847.39	864.59	802.03	635.51
Taxation	335.17	284.69	280.69	263.13	214.16
Profits After Tax	644.61	562.70	583.90	538.90	421.35
Dividend & Dividend Taxes	81.84	67.40	65.52	65.52	55.79
Borrowings	426.34	426.34	426.34	426.34	426.34
Networth	5300.44	4737.36	4299.21	3780.82	3298.38
Earnings per Equity Share	16.12	14.07	14.60	13.47	10.53
Dividend on Equity Share	17%	14%	14%	14%	12%
Debt: Equity Ratio	0.08:1	0.09:1	0.1:1	0.1:1	0.1:1

Sl. No.	CONTENTS	Page Nos.
1	Notice to Members	4-12
2	E - Voting Facility	13-15
3	Directors' Report	16-42
4	Practising Company Secretary's Report on Corporate Governance	42
5	MR-3 Secretarial Auditor Report	43-46
6	Corporate Governance Report	47-66
7	Auditors' Report	67-73
8	Balance Sheet	74
9	Statement of Profit and Loss	75
10	Note 1 Share Capital	76
11	Note 2 Reserves and Surplus	77
12	Note 3 Long Term Borrowings	77
13	Note 4 Other Long Term Liabilities	78
14	Note 5 Long Term Provisions	78
15	Note 6 Trade Payables	78
16	Note 7 Other Current Liabilities	79
17	Note 8 Short Term Provisions	79
18	Note 9 Fixed Assets	80
19	Note 10 Non Current Assets	81
20	Note 11 Long Term Loans and Advances	82
21	Note 12 Other Non Current Assets	82
22	Note 13 Trade Receivables	82
23	Note 14 Cash and Cash Equivalents	82
24	Note 15 Short Term Loans and Advances	83
25	Note 16 Other Current Assets	83
26	Note 17 Revenue from Operations	84
27	Note 18 Other Income	84
28	Note 19 Employee Benefit Expense	84
29	Note 20 Other Expenses	85
30	Note 21 Notes forming part of Accounts	86-100
31	Cash Flow Statement	101-102
32	Statement Pursuant to Section 129	103
33	Consolidated Accounts Audit Report	104-109
34	Consolidated Accounts	110-137
35	Subsidiary Company - Directors' Report	138-139
36	Subsidiary Company - Auditors' Report	140-143
37	Subsidiary Company - Accounts	144-150

NOTICE

NOTICE is hereby given that the TWENTY FIFTH Annual General Meeting of ELNET TECHNOLOGIES LIMITED (CIN: L72300TN1990PLC019459) will be held on Wednesday, the 15th June 2016, at 11.00 AM (IST) at New Woodlands Hotel Pvt. Ltd., No.72-75, Dr.Radhakrishnan Salai, Mylapore, Chennai 600 004 to transact the following business :

ORDINARY BUSINESS

1. A) To receive, consider and adopt the Audited Statement of Profit & Loss Account for the Financial Year ended on 31st March 2016 and the Balance Sheet as at that date and the Cash flow statement for the Financial Year ended on 31st March 2016 and the Reports of the Directors and the Auditors thereon.

   B) To receive, consider and adopt the Audited Consolidated Financial Statement of the company for the Financial year ended 31st March, 2016

2. To declare Dividend on the equity shares.

3. To appoint a Director in place of Thiru J. Ravi (DIN:00042953) who retires by rotation and is eligible for re-appointment

4. To ratify the appointment of Auditors and to fix their remuneration

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

   "RESOLVED THAT pursuant to the provision of sections 139 and 142 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force), pursuant to the recommendations of the Board of Directors, M/s. S.H. Bhandari & Co., Chartered Accountants (FRN : 000438S), Chennai who were appointed as Statutory Auditors of the Company at the 24th Annual General Meeting, to hold office till the conclusion of the next Annual General Meeting of the company, (subject to ratification of such appointment by the Members at the subsequent Annual General Meeting) on a remuneration of Rs. 3,25,000 plus service tax as applicable".

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

SPECIAL BUSINESS

5. APPOINTMENT OF THIRU P. MANIVANNAN, (DIN:07323312) AS A DIRECTOR

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

"RESOLVED THAT pursuant to the provisions of Section 149, 152 ,161 and all other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory or re-enactment thereof for the time being in force) Thiru P. Manivannan, (DIN:07323312) who was appointed

as Nominee Director on 30.10.2015 in the casual vacancy caused by the resignation of Thiru R. Sridhar, who vacates office at this Annual General Meeting and is eligible for reappointment, in respect of whom the Company has, as required under Sec. 160 of the Companies Act 2013, received a Notice in writing from a member signifying intention to propose him as a candidate for the office of the Director, be and is hereby appointed as a Director of the Company, is not subject to retire by rotation".

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

By Order of the Board of Directors
For Elnet Technologies Limited

Place : Chennai
Date : 06.05.2016

S. LAKSHMI NARASIMHAN
COMPANY SECRETARY

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the commencement of Annual General Meeting.

2. The relative explanatory Statement as required under Sec. 102 of the Companies Act 2013, in respect of the Business under item no.3 and 5 the accompanying Notice are annexed hereto.

3. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.

4. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.

5. The Register of Members and the Share Transfer Books of the Company shall remain closed from 09.06.2016 to 15.06.2016 (Both days inclusive) for payment of dividend, if declared at the Meeting.

6. The payment of dividend, upon declaration by the shareholders, at the ensuing Annual General Meeting will be made within one month from the date of Annual General Meeting.

7. Members holding shares in dematerialized mode are requested to intimate all changes pertaining to their Bank details, change in address etc., to their Depository participant only and not to the Company's Registrar and Share Transfer Agent.

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

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

Financial Year	Unpaid/ Unclaimed dividend as on 31.03.2016 (₹)	Date of declaration of Dividend	Due Date of the proposed transfer to Investor Education and Protection Fund
2008-09	2,48,973.00	07.07.2009	08.08.2016
2009-10	2,70,072.00	21.07.2010	24.08.2017
2010-11	3,42,317.20	28.06.2011	31.07.2018
2011-12	2,81,091.60	22.06.2012	24.07.2019
2012-13	2,37,493.20	20.06.2013	22.07.2020
2013-14	2,48,096.80	17.07.2014	20.08.2021
2014-15	2,35,676.20	08.07.2015	10.08.2022
Total	**18,63,720.00**		

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

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

8. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No. which is also available in our web site : www.elnettechonologies.com

9. Members who are holding shares in physical form are requested to intimate to the Registrar and Transfer Agents (R&TA) of the Company immediately about change in their address, if any.

10. Members may contact the Company at Email: elnet@md4.vsnl.net.in for any query.

11. Members who are holding shares in more than one folio are requested to intimate to the Registrars the details of all their folio numbers for consolidation into a single folio. Members who hold shares in dematerialized form are requested to write their Client ID and DPID and those hold shares in physical form are requested to write their folio no. in the attendance slip while attending the meeting for easy identification of attendance at the meeting.

12. Members are requested to
    i) write to the Company at least seven days before the date of the Meeting, in case they desire any information as regards the Audited Accounts for the Financial year ended 31.03.2016, so as to enable the Company to keep the information ready.
    ii) Quote registered folio number or Client ID in all the correspondence.
    iii) Send all share transfer lodgments (physical mode) / correspondence to the Registrar and Share Transfer Agents of the Company
13. Members are informed that trading and settlement of Company's shares through Stock Exchange has been made compulsory in Demat (Electronic) form. In view of this mandatory requirement the members are requested in their own interest to dematerialize their shareholding in the Company.
14. Members are informed that in case of joint holders attending the meeting, only such joint holder who is higher in the order of the names will be entitled to vote.
15. Members/Proxies/Authorised Representatives should bring the enclosed Attendance Slip, duly filled in, for attending the Meeting. Copies of the Annual Report or Attendance Slips will not be distributed at the Meeting.
16. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours upto the date of the Meeting

    Business hours : Monday to Friday - 9.30 A.M to 5.30 P.M
    Saturday - 9.30 A.M to 1.00 P.M
17. In respect of shares held in Electronic form, the dividend will be payable to the beneficial owners of the shares as on closing hours of business on 08th day of June 2016 as per the details furnished by National Securities Depository Limited (NSDL) and Central Depositories Services India Limited (CDSL), the Depositories, for this purpose.
18. Pursuant to Regulation 36 of SEBI (LODR) Regulations 2015, the brief resume/details of the Directors being re-appointed, annexed hereto.
19. The Reserve Bank of India (RBI), has instructed banks to move to the National Electronic Clearing Services (NECS)/NEFT/RTGS platform. In this regard, please note that if the members have not provided to the company or their Depository Participants (DP), the new Bank account, if any, allotted to them, after implementation of Core Banking Systems (CBS), credit of dividend through NECS/NEFT/RTGS to their old bank account number, may be rejected or returned by the Banking system. In the above circumstances, the members are requested to furnish the new Bank account number, if any, allotted to them by the Bank after it has implemented the CDS together with the name of the Bank, Branch, nine digit MICR Bank/Branch code, account type by quoting their folio number, DP ID and client ID and photocopy of the cheque pertaining to their new Bank account, so

that the dividend can be credited to the said bank account. Members who have not opted or updated their accounts are now requested to opt for this to avoid losses and delays. Members holding shares in physical for availing the NECS/NEFT/RTGS facilities should furnish a request in this regard to the Company/Company's Registrar and Share Transfer Agent, unit of Elnet Technologies Limited, (Share Transfer Agent), in the NECS/NEFT/ RTGS form available with the company.

20. The Company is obliged to print such bank's details on the Dividend warrants as furnished by the DPs and the company cannot entertain any request for deletion/change of the bank details already printed on the dividend warrant(s), based on the information received from the concerned DPs without confirmation from them. In this regard, members are advised to contact their DPs and furnish them the particulars of any change desired, if not already provided.

21. Pursuant to the provisions of Section 72 of the Companies Act, 2013, the Member(s) holding shares in physical form may nominate, in the prescribed manner, any person to whom all the rights in the shares shall vest in the event of death of the sole holder or all the joint holders. A nomination form for this purpose is available with the Share Transfer Agent. Member(s) holding shares in demat form may contact their respective DPs for availing this facility.

22. Pursuant to Section 101 of Companies Act, 2013 read with the relevant Rules, the Company is allowed to serve documents like notice, annual reports, etc., in electronic form to its Members. Accordingly, the said documents of the Company for the financial year ended March 31, 2016, will be sent in electronic form to those Members who have registered their e-mail address with their DPs and made available to the Company by the Depositories. However, in case a Member wishes to receive a physical copy of the said documents, the Member is requested to send an e-mail duly quoting his DP ID and Client ID or the Folio number, as the case may be, to elnet@md4.vsnl.net.in. Accordingly, the Company shall update its database by incorporating/updating the designated e-mail address in its records. Please note that the said documents will also be uploaded on the website of the company at elnettechnologies.com and made available for inspection at the Registered office of the Company during business hours of the Company with prior notice.

23. Route Map showing directions to reach to the venue of the 25th AGM is given at the end of this Notice as per the requirement of Secretarial Standards-2 on "General Meeting".

24. Members are requested to send all communications relating to shares, unclaimed dividends and change of address, etc. to the Registrar and Share Transfer Agents at the following address:

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