



Elnet Technologies Ltd

**TWENTY SEVENTH
ANNUAL REPORT**

2017-2018

BOARD OF DIRECTORS	<p>Thiru M. Vijayakumar, IAS., Chairman & Nominee Director (w.e.f 25.05.2018)</p> <p>Thiru R. Sudalaikannan IAS., Chairman and Nominee Director (08.12.2017 to 20.03.2018)</p> <p>Dr.Rajendra Kumar, IAS, Chairman and Nominee Director (09.11.2016 to 28.08.2017)</p> <p>Tmt. Unnamalai Thiagarajan, Managing Director</p> <p>Thiru C. Ramachandran, IAS (Retd.)</p> <p>Thiru J. Ravi</p> <p>Thiru G. Chellakrishna</p> <p>Thiru H. Karthik Seshadri</p> <p>Thiru R. Ganapathi</p> <p>Thiru K. Padmanaban (Upto 28.02.2018)</p> <p>Thiru B.Evanesan</p> <p>Thiru G. Senrayaperumal</p> <p>Dr.V. Dharmalingam</p> <p>Thiru K. Kasim, IPS (Retd.)</p>
CHIEF FINANCIAL OFFICER	Mrs. E. Kamakshi (w.e.f 9th February, 2018)
COMPANY SECRETARY	Mr. T. Joswa Johnson (w.e.f 8th December, 2017)
STATUTORY AUDITORS	M/s. MSKA and Associates Teynampet, Chennai-600018.
SECRETARIAL AUDITORS	BP and Associates Ashok Nagar, Chennai.
INTERNAL AUDITORS	Ajay Kumar and Associates Chennai.
BANKERS	<p>Axis Bank Limited Thiruvanmiyur Branch, Chennai 600 041.</p> <p>State Bank of India Industrial Finance Branch 155, Anna Salai, Chennai 600 002.</p> <p>Canara Bank Tidel Park Branch, Chennai 600 113.</p>
REGISTERED OFFICE	Elnet Software City TS 140, Block No.2&9, Rajiv Gandhi Salai, Taramani, Chennai-600113.
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

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PAST TEN YEARS STANDALONE FINANCIAL PERFORMANCE SUMMARY

(In ₹ Lacs)

Financial Highlights	As per IND As		As per IGAAP							
	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
Gross Revenue	2588.33	2528.69	2414.35	2330.04	2253.80	2169.21	1687.72	1606.45	1681.91	1937.87
Profits Before Tax	1233.15	1205.99	979.78	847.39	864.59	802.03	635.51	570.88	573.65	610.00
Taxation	333.25	422.51	335.17	284.69	280.69	263.13	214.16	206.27	198.42	211.75
Profits After Tax	899.90	783.48	644.61	562.7	583.90	538.90	421.35	364.61	375.23	398.25
Dividend & Dividend Taxes	*72.21	67.40	81.84	67.4	65.52	65.52	55.79	56.79	55.97	56.16
Borrowings	426.34	426.34	426.34	426.34	426.34	426.34	426.34	873.44	1381.62	1710.64
Networth	6775.84	5912.49	5300.44	4737.36	4299.21	3780.82	3298.38	2932.82	2623.99	2304.74
Earnings per Equity Share	22.5	19.59	16.12	14.07	14.60	13.47	10.53	9.12	9.38	9.96
Dividend on Equity Share	15%	14%	17%	14%	14%	12%	12%	12%	12%	12%
Debt: Equity Ratio	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	0.7:1

* The Board has recommended the amount for the purpose of payment of dividend subject to the approval of members in the 27th AGM of the Company to be held on 9th August, 2018.

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NOTICE CONVENING THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twenty Seventh Annual General Meeting of Elnet Technologies Limited will be held on Thursday, 9th August, 2018 at 11.00 A.M at New Woodlands Hotel Pvt. Ltd. located at No.72-75, Dr.Radhakrishnan Salai, Mylapore, Chennai-600004 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone and consolidated Financial Statements for the Financial Year ended 31st March, 2018 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, 2018.
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 fix the remuneration of Statutory Auditors

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

“RESOLVED THAT pursuant to the provisions of Section 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to resolution passed by the members at the 26th Annual General Meeting held on July 06, 2017, and as recommended by the Audit Committee, the Board of Directors of the company be and is hereby authorised to fix the remuneration payable to M/s. MSKA & Associates, Chartered Accountants, Chennai (Firm Registration number 105047W) as may be determined by the Audit Committee in consultation with the Auditors and the Board of Directors, from time to time during the remaining tenure of their appointment.”

SPECIAL BUSINESS:

- 5. RE-APPOINTMENT OF TMT UNNAMALAI THIAGARAJAN (DIN:00203154), AS MANAGING DIRECTOR.**

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

“RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule - V of the Companies Act,

2013 and Articles of Association of the Company, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, the approval of the members of the Company be and is hereby accorded to the re-appointment of Tmt Unnamalai Thiagarajan (DIN:00203154) as Managing Director of the Company for a period of 5 years with effect from 29th September 2018 on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this meeting with liberty to the Board of Directors and/or their committee to alter and vary the terms and conditions including remuneration as it may deem fit, subject to the same not exceeding the limits specified under Section 197 of the Companies Act, 2013.

RESOLVED FURTHER THAT any Director of the Company and/or Company Secretary be and is hereby authorized to take such steps as may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.”

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

Place : Chennai
Date : 25th May, 2018

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:elnet@md4.vsnl.net.in
Website: www.elnettechnologies.com
CIN:L72300TN1990PLC019459

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IMPORTANT NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to Special Business to be transacted at the Annual General Meeting (the “AGM” or “Meeting”), is annexed hereto.
2. ***A MEMBER ENTITLED TO ATTEND AND VOTE AT THE 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 any other person or shareholder. The proxy holder shall prove his/her identity at the time of attending the AGM. When a member appoints a proxy and both the member and proxy attend the meeting, the 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 for admission to the AGM.
7. The Ministry of Corporate Affairs (MCA) vide General circular No.12/2017 dated on 16th October, 2017 had notified the amendment to Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Second Amendment Rules, 2017 (“the Rules”) wherein the Company was required to transfer all the shares whose dividend is lying in the “Unpaid Dividend Account” of the Company as unpaid or unclaimed for a period of seven consecutive years from the date of its transfer and due date falls during the period 7th September 2016 to 31st October, 2017. The Company has complied with

the same and the shares pertaining to the dividend declared in financial year ended 2008-09 and 2009-10 have been transferred by the Company to the Investor Education and Protection Fund subject to the prior intimation given via Newspapers advertisement and individual letter to the eligible Shareholders. The Company has uploaded the details of the aforesaid transfer of shares to the Investor Education and Protection Fund on the website of the IEPF viz. www.iepf.gov.in and on the website of the Company www.elnettechnologies.com

As on March 31, 2018 following amount of dividends remained unclaimed.

Financial Year for which Dividend Declared	Unpaid/ Unclaimed Dividend Amount As On 31.03.2018 (In ₹)	Date of Declaration of Dividend	7 Years from the date of transfer to Unpaid Dividend Account)
2010-11	3,31,775.20	28.06.2011	31.07.2018
2011-12	2,72,043.60	22.06.2012	24.07.2019
2012-13	2,30,013.00	20.06.2013	22.07.2020
2013-14	2,41,516.80	17.07.2014	20.08.2021
2014-15	2,21,698.60	08.07.2015	10.08.2022
2015-16	2,92,039.70	15.06.2016	18.07.2023
2016-17	6,34,603.40	06.07.2017	08.08.2024
TOTAL	22,23,690.30		

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 ended 2010-11, within 30 days from the cut-off date of 31st July, 2018. 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 <http://www.elnettechnologies.com/Document/Newspapers%20advertisement%2003.05.2018.pdf>. Such Members are requested to ensure their claim, before it is transferred to the said Fund.

- The Register of Members and the Share Transfer books of the Company will remain closed from Saturday, 28th day of July, 2018 to Thursday, 9th day of August, 2018 (both days inclusive) for determining the name of Members eligible for dividend on Equity shares, if declared at the Meeting.

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9. Dividend on equity shares, if declared at the Meeting, will be credited/dispatched within 30 days to those members whose names shall appear on the Company Register of Members as on book closure date Friday, 27th July, 2018.
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, "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 records Company.
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 Corporate Office of the Company (Phone:044-22541793;Email: elnet@md4.vsnl.net.in
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, 27th July, 2018.

16. In keeping with the Green Initiative measures, the Company hereby requests 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 thereunder will be available for inspection by the members at the AGM.
18. A route map showing directions to reach the venue of the 27th Annual General Meeting is given 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 elnet@md4.vsnl.net.in or at the registered Office of the Company. The Annual report of the Company can be accessed at Annual Report category of Investor section in website of the Company www.elnettechnologies.com.

Electronic copy of the Notice of the afore said Meeting and Annual Report for the financial year 2017-18 of the Company 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 IDs 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 2017-18 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.