



ELNET TECHNOLOGIES LTD

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> Thiruvannamiyur 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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## 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 onthe 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:**

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TS 140, Block No.2 & 9,  
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