



**ELNET
TECHNOLOGIES
LIMITED**

TWENTYNINTH
ANNUAL
REPORT 2019-20

BOARD OF DIRECTORS	<p>Mr. M. Vijayakumar, IAS.,Chairman and Non-Executive Director</p> <p>Mrs.Unnamalai Thiagarajan, Managing Director</p> <p>Mr. C. Ramachandran,IAS.,(Retd) - Non-Executive Director</p> <p>Mr. J. Ravi - Non-Executive Director</p> <p>Mr. G. Chellakrishna - Non-Executive Independent Director</p> <p>Mr. H. Karthik Seshadri - Non-Executive Independent Director</p> <p>Mr. R. Ganapathi - Non-Executive Independent Director</p> <p>Mr. G. Senrayaperumal - Non-Executive Independent Director</p> <p>Mr. K. Kasim,IPS (Retd.) - Non-Executive Independent Director</p> <p>Mr. A. P Radhakrishnan - Non-Executive Independent Director</p> <p>Mr. P.R. Nithiyanandan - Non-Executive Director</p> <p>Mr. N. Srivathsa Desikan - Non-Executive Director</p>
CHIEF FINANCIAL OFFICER	Mrs.E. Kamakshi
COMPANY SECRETARY	Mr.T. Joswa Johnson
STATUTORY AUDITORS	M/s. MSKA and Associates Teynampet, Chennai - 600018.
SECRETARIAL AUDITORS	M/s. BP and Associates Ashok Nagar, Chennai.
INTERNAL AUDITORS	M/s. Ajay Kumar and Associates Chennai
BANKERS	<p>Axis Bank Limited Thiruvanmiyur Branch, Chennai-600041.</p> <p>State Bank of India Industrial Finance Branch Chetpet,Chennai-600031.</p> <p>Canara Bank Tidel Park Branch, Chennai-600113.</p>
REGISTERED OFFICE	<p>Elnet Software City TS 140, Block No.2&9,Rajiv Gandhi Salai, Taramani, Chennai-600113.</p>
REGISTRAR AND SHARE TRANSFER AGENTS	<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>

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Financial Highlights	(In ₹ Lacs)									
	As per IND As					As per IGAAP				
	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Particulars										
Gross Revenue	2911.83	2548.69	2588.33	2528.69	2414.35	2330.04	2253.80	2169.21	1687.72	1606.45
Profits Before Tax	1467.11	1166.29	1233.15	1205.99	979.78	847.39	864.59	802.03	635.51	570.88
Taxation	382.18	325.11	333.25	422.51	335.17	284.69	280.69	263.13	214.16	206.27
Profits After Tax	1084.93	841.18	899.9	783.48	644.61	562.7	583.90	538.90	421.35	364.61
Dividend	48.00	60.00	60.00	56.00	68.00	56.00	56.00	48.00	48.00	48.00
Dividend & Dividend Taxes	48.00	72.33	72.21	67.40	81.84	67.4	65.52	65.52	55.79	56.79
Borrowings	426.34	426.34	426.34	426.34	426.34	426.34	426.34	426.34	426.34	873.44
Networth	8534.49	7521.15	6775.84	5912.49	5300.44	4737.36	4299.21	3780.82	3298.38	2932.82
Earnings per Equity Share	27.12	21.03	22.5	19.59	16.12	14.07	14.60	13.47	10.53	9.12
Dividend on Equity Share	12%	15%	15%	14%	17%	14%	14%	12%	12%	12%
Debt: Equity Ratio	0.04:1	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
Book Value of the Company	213.36	188.03	169.40	147.81	132.51	118.43	107.48	94.52	82.46	73.32
Return on Networth/Return on Equity in %	12.15	10.22	12.22	12.11	10.62	10.46	12.06	12.52	11.08	10.50
Dividend Payout ratio	0.04:1	0.07:1	0.07:1	0.07:1	0.11:1	0.10:1	0.10:1	0.09:1	0.11:1	0.13:1
Dividend/Net Income - In %	4.42	7.13	6.67	7.15	10.55	9.95	9.59	8.91	11.39	13.16
Return on Capital Employed	15.30	13.48	17.51	19.30	13.67	12.87	14.03	14.32	12.65	11.33
P/E ratio	2.95	5.05	6.67	6.44	4.46	4.69	2.96	2.96	3.61	4.71

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NOTICE CONVENING THE TWENTY NINTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twenty Ninth Annual General Meeting of Elnet Technologies Limited will be held on Monday, the 28th day of September, 2020 at 12.30 P.M via Video Conferencing ("VC"/Other Audio Visual Means ("OAVM")),to transact the following business

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the Financial Year ended 31st March, 2020 and the Reports of the Board of Directors and the Statutory Auditors thereon.
2. To declare a dividend of Rs. 1.20 per equity Share for the Financial Year ended 31st March, 2020.
3. To appoint a director in place of Mr. J. Ravi (DIN:00042953) who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a director in place of Mr. C. Ramachandran (DIN:00050893) who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

5. **APPOINTMENT OF MR. P.R NITHIYANANDAN.,(DIN:07721702) 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 Mr. P.R Nithiyandanan (DIN: 07721702) who was appointed as Non-Executive Additional Director of the Company by the Board of Directors at its meeting held on 18th March, 2020 and who holds office up to the date of this 29th 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 the Board of Directors of the Company and/or the Company Secretary of the company 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. **INCREASE IN AUTHORISED SHARE CAPITAL**

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 Sections 13 and 61 and all other applicable provisions of the Companies Act, 2013 and rules framed thereunder (including

any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Articles of Association of the Company, consent of the members be and is hereby accorded to increase the Authorised Share Capital of the Company from the existing capital of Rs. 5,00,00,000/- (Rupees Five Crore only) divided into 50,00,000 (Fifty Lakh only) equity shares of Rs. 10/- (Rupees Ten only) each to Rs. 100,00,00,000/- (One hundred crore only) divided into 10,00,00,000 (Ten Crores) equity shares of Rs.10/- (Rupees Ten only) each by creation of additional 9,50,00,000 (Nine crore fifty lakhs) equity shares of ₹ 10/- (Rupees Ten only).

RESOLVED FURTHER THAT the Board of Directors of the Company and/or the Company Secretary of the Company be and is hereby severally authorised to execute, sign, verify, file all necessary forms with the Registrar of Companies and to do all other deeds, things and acts that are necessary or incidental to give effect to this resolution.”

7. ALTERATION OF CAPITAL CLAUSE OF MEMORANDUM OF ASSOCIATION

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

“**RESOLVED THAT** in accordance with the provisions of Sections 13 and 61 and all other applicable provisions of the Companies Act, 2013 and rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Articles of Association of the Company, and consequent upon the increase in the Authorised Share Capital of the Company, the existing Clause V of the Memorandum of Association of the Company be and is hereby substituted by the new Clause V:

- V. The Authorised Share Capital of the Company is Rs. 100,00,00,000/- (One hundred crore only) divided into 10,00,00,000 (Ten Crores) equity shares of Rs.10/- (Rupees Ten only) with power to increase and reduce or consolidate or sub-divide the Capital of the Company and to divide the shares in the Capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to verify, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Act or provided by the Articles of Association of the Company.”

RESOLVED FURTHER THAT the Board of Directors of the Company and/or the Company Secretary of the Company be and is hereby authorised severally to execute, sign, verify, file all necessary forms with the Registrar of Companies and to do all other deeds, things and acts that are necessary or incidental to give effect to this resolution.”

8. ADOPTION OF SET OF NEW ARTICLES OF ASSOCIATION AS PER THE COMPANIES ACT, 2013

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

“**RESOLVED THAT** pursuant to the provisions of Section 14 and other relevant provisions, if any, of the Companies Act, 2013, read with the rules framed thereunder, the existing

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Articles of Association of the Company be and is hereby replaced and substituted by the new set of Articles of Association, drawn as per the Companies Act, 2013, and that the Regulations contained in the new set of Articles be and are hereby approved and adopted as the Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company and/or the Company Secretary of the Company be and are hereby authorised severally to execute, sign, verify, file all necessary forms with the Registrar of Companies and to do all other deeds, things and acts that are necessary or incidental to give effect to this resolution.”

9. INCREASE IN THE BORROWING POWERS OF THE COMPANY UNDER SECTION 180(1)(C) OF THE COMPANIES ACT, 2013

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

“**RESOLVED THAT** pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, and in supersession of all earlier resolution passed in this regard, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include any committee thereof for the time being exercising the powers conferred on the Board by this Resolution), to borrow from time to time, any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business), may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total outstanding principal amount so borrowed shall not at any time exceed the limit of Rs. 500 Crores (Both funded and non-funded) at any one point of time.”

RESOLVED FURTHER THAT the Board of the Company (hereinafter referred to as the “Board”, which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution) be and is hereby authorised to take all such actions as may be necessary, desirable or expedient and to do all such necessary acts, deeds and things that may be incidental or pertinent to give effect to the aforesaid resolution.”

10. APPROVAL UNDER SECTION 180(1)(a) OF THE COMPANIES ACT, 2013

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

“**RESOLVED THAT** in supersession of the earlier resolution passed authorizing the Board to mortgage/create charge on the assets of the Company and pursuant to the provisions of Section 180(1)(a) and all other applicable provisions of the Companies Act, 2013, and the Rules made thereunder, including any statutory modification(s) thereto or reenactment(s) thereof, for the time being in force, and in accordance with the Articles of Association of the Company, and subject to such other approvals, consents, sanctions

and permissions, as may be necessary, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to pledge, mortgage, hypothecate and/or charge all or any part of the moveable or immovable properties of the Company and the whole or part of the undertaking of the Company of every nature and kind whatsoever and/or creating a floating charge in all or any movable or immovable properties of the Company and the whole of the undertaking of the Company to or in favour of banks, financial institutions, investors and any other lenders or debenture trustees to secure the amount borrowed by the Company or any third party from time to time for the due payment of the principal and/or together with interest, charges, costs, expenses and all other monies payable by the Company or any third party in respect of such borrowings provided that the aggregate indebtedness secured by the assets of the Company does not exceed Rs. 500 Crores (Rupees Five hundred crores) at any point of time.

RESOLVED FURTHER THAT at the Board of Directors of the Company be and is hereby authorized to file necessary returns/ forms with the Registrar of Companies and to do all such acts, deeds and things as may be considered necessary, incidental and ancillary in order to give effect to this Resolution.”

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

Place : Chennai
Date : 17th Aug, 2020

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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IMPORTANT NOTES:

1. The details pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2), in respect of Director seeking re-appointment and the Explanatory Statement in respect of Special Businesses are annexed hereto.
2. **The Register of Members will remain closed from Tuesday, 22nd Sep, 2020 to Monday, 28th Sep, 2020 (both days inclusive). Monday, 21st Sep, 2020 shall be the cut-off date as on which the right of voting of the Members shall be reckoned and a person who is not a Member as on the cut-off date should treat this Notice for information purposes only.**
3. Members who have not yet registered their email addresses are requested to register the same with their Depository Participants in case the shares are held by them in dematerialized form and with the Company in case the shares are held by them in physical form.
4. As per Regulation 40 of SEBI Listing Regulations, securities of listed companies can be transferred only in dematerialized form with effect from April 01, 2019, except in case of request received for transmission or transposition of securities. In view of this, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form.
5. 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 2012-13 within 30 days from the cut-off date of 22nd July, 2020. As per the provisions, the 3 months' prior intimation to the eligible shareholders via Newspapers advertisement has given and the same had been updated in website of the Company www.elnettechnologies.com.

As on March 31, 2020, following amount of dividends remained unclaimed

Financial year for which dividend declared	Unpaid/ Unclaimed Dividend Amount As on 31.03.2020 (In ₹)	Date of Declaration of Dividend	7 Years from the date of transfer to Unpaid Dividend Account
2012-13	233650.20	20.06.2013	22.07.2020
2013-14	244673.80	17.07.2014	20.08.2021
2014-15	227671.00	08.07.2015	10.08.2022
2015-16	324652.50	15.06.2016	18.07.2023

2016-17	274075.40	06.07.2017	08.08.2024
2017-18	232649.00	09.08.2018	07.09.2025
2018-19	215910.00	09.08.2019	11.09.2026
TOTAL	1753281.90		

6. CDSL E-VOTING SYSTEM – FOR REMOTE E-VOTING AND E-VOTING DURING AGM

- i. As you are aware, in view of the situation arising due to Covid-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The ensuing AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
- ii. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has engaged with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a Member using remote e-Voting as well as the e-Voting system during the AGM will be provided by CDSL.
- iii. **The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.**
- iv. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 Members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- v. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.