

# ELNET TECHNOLOGIES LIMITED

**30th ANNUAL REPORT  
2020-21**

<b>BOARD OF DIRECTORS</b>	<p>Mr. Ajay Yadav, 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. S. Kirubanandan - Non-Executive Director</p> <p>Mr. N. Srivathsa Desikan - Non-Executive Director</p>
<b>CHIEF FINANCIAL OFFICER</b>	Mrs. E. Kamakshi
<b>COMPLIANCE OFFICER</b>	Ms. Divya Raj Gupta
<b>STATUTORY AUDITORS</b>	M/s. MSKA and Associates Teynampet, Chennai - 600018.
<b>SECRETARIAL AUDITORS</b>	M/s. BP and Associates Ashok Nagar, Chennai.
<b>INTERNAL AUDITORS</b>	M/s. Ajay Kumar and Associates Chennai.
<b>BANKERS</b>	<p><b>Axis Bank Limited</b> Thiruvannamiyur Branch, Chennai 600 041.</p> <p><b>State Bank of India</b> Industrial Finance Branch Chetpet, Chennai 600 031.</p> <p><b>Canara Bank</b> Tidel Park Branch, Chennai 600 113.</p>
<b>REGISTERED OFFICE</b>	<p>Elnet Software City</p> <p>TS 140, Block No. 2 &amp; 9, Rajiv Gandhi Salai,</p> <p>Taramani, Chennai 600 113.</p>
<b>REGISTRAR AND SHARE TRANSFER AGENTS</b>	<p>M/s. Cameo Corporate Services Limited</p> <p>"Subramanian Building", 5th Floor</p> <p>No.1, Club House Road, Chennai 600 002</p> <p>Phone : 044-2846 0390 (6 lines)</p> <p>Fax : 044-2846 0129</p>

# THIRTIETH ANNUAL REPORT 2020 - 21

(in ₹ Lakhs)

Financial Highlights	As per IND As						As per IGAAP				
	2020-21	2019-20	2018-19	2017-18	2016-17		2015-16	2014-15	2013-14	2012-13	2011-12
Gross Revenue	2639.61	2911.83	2548.69	2588.33	2528.69		2414.35	2330.04	2253.80	2169.21	1687.72
Profits Before Tax	1630.62	1467.11	1166.29	1233.15	1205.99		979.78	847.39	864.59	802.03	635.51
Taxation	431.93	382.18	325.11	333.25	422.51		335.17	284.69	280.69	263.13	214.16
Profits After Tax	1198.69	1084.93	841.18	899.9	783.48		644.61	562.7	583.90	538.90	421.35
Dividend	56.00	48.00	60.00	60.00	56.00		68.00	56.00	56.00	48.00	48.00
Dividend & Dividend Taxes	56.00	48.00	72.33	72.21	67.40		81.84	67.4	65.52	65.52	55.79
Borrowings	426.34	426.34	426.34	426.34	426.34		426.34	426.34	426.34	426.34	426.34
Networth	9685.09	8534.49	7521.15	6775.84	5912.49		5300.44	4737.36	4299.21	3780.82	3298.38
Earnings per Equity Share	29.97	27.12	21.03	22.5	19.59		16.12	14.07	14.60	13.47	10.53
Dividend on Equity Share	14%	12%	15%	15%	14%		17%	14%	14%	12%	12%
Debt: Equity Ratio	0.04:1	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
Book Value of the Company	242.13	213.36	188.03	169.40	147.81		132.51	118.43	107.48	94.52	82.46
Return on Networth / Return on Equity in %	11.80	12.15	10.22	12.22	12.11		10.62	10.46	12.06	12.52	11.08
Dividend Payout ratio	0.05:1	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
Dividend/Net Income - In %	4.67	4.42	7.13	6.67	7.15		10.55	9.95	9.59	8.91	11.39
Return on Capital Employed	15.23	15.30	13.48	17.51	19.30		13.67	12.87	14.03	14.32	12.65
P/E ratio	4.00	2.95	5.05	6.67	6.44		4.46	4.69	2.96	2.96	3.61

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## NOTICE CONVENING THE THIRTIETH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Thirtieth Annual General Meeting of Elnet Technologies Limited will be held on Wednesday, the 28th day of July, 2021 at 04.00 P.M. IST through Video Conferencing (“VC”)/ Other Audio Visual Means (“OAVM”) to transact the following business:

### ORDINARY BUSINESS:

#### 1. Adoption of Financial Statements

To consider and, if deemed fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** the audited financial statements of the Company for the financial year ended March 31, 2021 and the Reports of the Board of Directors and the Statutory Auditors thereon be and are hereby received, considered and adopted.”

#### 2. To declare a dividend of Rs. 1.40 per equity Share for the Financial Year ended 31st March, 2021.

To consider and, if deemed fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** a final dividend of ₹ 1.40 per equity Share of ₹10/- each be declared for the financial year ended March 31, 2021 and that the same be paid out of the profits of the Company to those shareholders whose names appear in the Register of Members as on Wednesday, July 21, 2021 being the record date fixed for this purpose.”

#### 3. Re-appointment of Thiru J. Ravi (DIN: 00042953) who retires by rotation as a Director.

To consider and, if deemed fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013, Thiru. J. Ravi (DIN:00042953) who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company liable to retire by rotation.”

#### 4. Re-appointment of Thiru C. Ramachandran (DIN: 00050893) who retires by rotation as a Director.

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

**“RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013, Thiru. C. Ramachandran (DIN:00050893) who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company liable to retire by rotation.”

### **SPECIAL BUSINESS:**

#### **5. Appointment of Thiru Ajay Yadav IAS., (DIN:07785020), 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 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 Ajay Yadav IAS. (DIN: 07785020) who was appointed as Chairman & Non-Executive Additional Director of the Company by the Board of Directors with effect from June 23, 2021 and who holds office up to the date of this 30th Annual General Meeting, be and is hereby appointed as a Chairman and Non-Executive Director of the Company not liable to retire by rotation in terms of Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Board of Directors 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. S. Kirubanandan, (DIN: 08952166) 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. S. Kirubanandan (DIN: 08952166) who was appointed as a Non-Executive Additional Director of the Company by the Board of Directors at its meeting held on November 11, 2020 and who holds office up to the date

of this 30th Annual General Meeting, be and is hereby appointed as a Non-Executive Director of the Company liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors 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:** June 23, 2021

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

**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

### 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 appointment of Auditors are annexed hereto.
2. In line with the MCA Circulars issued from time to time and SEBI Circulars dated 12th May, 2020 and 15th January, 2021, the Notice calling the AGM and Annual Report 2020-21 are being sent through electronic mode only to those Members whose email addresses are registered with the Company / Depositories. Members may note that Notice and Annual Report 2020-21 will also be made available on the Company's website at [www.elnettechnologies.com](http://www.elnettechnologies.com), websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and the AGM Notice is also available on the website of CDSL (agency for providing the Remote e-Voting facility) i.e. [www.evotingindia.com](http://www.evotingindia.com)
3. **The Register of Members will remain closed from Thursday, July 22, 2021 to Wednesday, July 28, 2021 (both days inclusive). Wednesday, July 21, 2021 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.**
4. 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.
5. 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.
6. 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 2013-14 within 30 days from the cut-off date of August 20, 2021. As per the provisions, the 3 months' prior intimation to the eligible shareholders via Newspapers advertisement 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, 2021, following amount of dividends remained unclaimed:

Financial year for which dividend declared	Unpaid/ Unclaimed Dividend Amount As on 31.03.2021 (In ₹)	Date of Declaration of Dividend	7 Years from the date of transfer to Unpaid Dividend Account
2013-14	250423.60	17.07.2014	20.08.2021
2014-15	233098.80	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	218010.00	09.08.2019	11.09.2026
2019-20	165346.60	28.09.2020	30.10.2027
<b>TOTAL</b>	<b>1698255.90</b>		

## 7. 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 entered into an agreement 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 on the date of 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.
- vi. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.
- vii. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM and the Annual Report for the financial year 2020-21 has been uploaded on the website of the Company at [www.elnettechnologies.com](http://www.elnettechnologies.com). The Notice can also be accessed on the websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-Voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
- viii. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

## **8. INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING AND JOINING MEETING THROUGH VC / OAVM ARE AS UNDER:**

- i. **The voting period begins on July 24, 2021 and ends on July 27, 2021. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of July 21, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.**
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.