



ELNET TECHNOLOGIES LIMITED

31st ANNUAL REPORT

2021-22

BOARD OF DIRECTORS

Mr. Ajay Yadav, IAS., Chairman and Non-Executive Director

Mrs. Unnamalai Thiagarajan, Managing Director

Mr. G. Chellakrishna, Non-Executive Independent Director

Mr. H. Karthik Seshadri, Non-Executive Independent Director

Mr. R. Ganapathi, Non-Executive Independent Director

Mr. G. Senrayaperumal, Non-Executive Independent Director

Mr. K. Kasim, IPS (Retd.), Non-Executive Independent Director

Mr. A. P Radhakrishnan, Non-Executive Independent Director

Mr. S. Kirubanandan, Non-Executive Director

Mr. N. Srivathsa Desikan, Non-Executive Director

Mr. C. Ramachandran, IAS., (Retd.), Non-Executive Director

Mr. J. Ravi, Non-Executive Director

CHIEF FINANCIAL OFFICER

Mrs. E. Kamakshi

COMPANY SECRETARY &
COMPLIANCE OFFICER

Ms. Divya Raj Gupta

STATUTORY AUDITORS

M/s. MSKA and Associates
Teynampet, Chennai - 600018.

SECRETARIAL AUDITORS

M/s. BP and Associates
Teynampet, Chennai - 600018

INTERNAL AUDITORS

M/s. Ajay Kumar and Associates
Chennai.

BANKERS

Axis Bank Limited
Thiruvannamiyur Branch, Chennai - 600041.

State Bank of India
Industrial Finance Branch
KRM Plaza, Ground Floor, Chetpet, Chennai - 600031

Canara Bank
Tidel Park Branch, Chennai - 600113.

REGISTERED OFFICE

Elnet Software City
TS 140, Block No.2 & 9, Rajiv Gandhi Salai,
Taramani, Chennai-600113.
Phone: 044-22541098 / 22541337 / 22541793
Fax: 044-22541955; E-mail: elnetcity@gmail.com
Website: www.elnettechnologies.com

REGISTRAR AND SHARE
TRANSFER AGENTS

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

THIRTY FIRST ANNUAL REPORT 2021-22

(in ₹ Lakhs)

Financial Highlights	As per IND As						As per IGAAP			
	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
Gross Revenue	2722.5	2639.61	2911.83	2548.69	2588.33	2528.69	2414.35	2330.04	2253.80	2169.21
Profit before Interest and tax	1743.77	1702.13	1553.75	1236.11	1255.59	1230.48	979.78	847.39	864.59	802.03
Profits Before Tax	1693.62	1630.62	1467.11	1166.29	1233.15	1205.99	979.78	847.39	864.59	802.03
Taxation	432.27	431.93	382.18	325.11	333.25	422.51	335.17	284.69	280.69	263.13
Profits After Tax	1261.35	1198.69	1084.93	841.18	899.9	783.48	644.61	562.7	583.90	538.90
Dividend	80.00	56.00	48.00	60.00	60.00	56.00	68.00	56.00	56.00	48.00
Dividend & Dividend Taxes	80.00	56.00	48.00	72.33	72.21	67.40	81.84	67.4	65.52	65.52
Borrowings	426.34	426.34	426.34	426.34	426.34	426.34	426.34	426.34	426.34	426.34
Networth	10973.85	9685.09	8534.49	7521.15	6775.84	5912.49	5300.44	4737.36	4299.21	3780.82
Earnings per Equity Share	31.53	29.97	27.12	21.03	22.5	19.59	16.12	14.07	14.60	13.47
Dividend on Equity Share	20%	14%	12%	15%	15%	14%	17%	14%	14%	12%
Debt: Equity Ratio	0.04:1	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
Book Value of the shares of the Company	274.35	242.13	213.36	188.03	169.40	147.81	132.51	118.43	107.48	94.52
Return on Networth/Return on Equity in %	10.77	11.80	12.15	10.22	12.22	12.11	10.62	10.46	12.06	12.52
Dividend Payout ratio	0.06:1	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
Dividend/Net Income - In %	6.34	4.67	4.42	7.13	6.67	7.15	10.55	9.95	9.59	8.91
Return on Capital Employed	15.29	15.90	16.20	14.29	17.82	19.70	13.67	12.87	14.03	14.32
P/E ratio	5.07	4.00	2.95	5.05	6.67	6.44	4.46	4.69	2.96	2.96

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NOTICE TO MEMBERS CONVENING THE THIRTY FIRST ANNUAL GENERAL MEETING

NOTICE is hereby given that the Thirty First Annual General Meeting (“**AGM**”) of the members of Elnet Technologies Limited will be held on Wednesday, the 7th day of September, 2022 at 03:00 P.M. Indian Standard Time (“**IST**”) through Video Conferencing (“**VC**”) / Other Audio Visual Means (“**OAVM**”) to transact the following businesses:

ORDINARY BUSINESS:

1. Adoption of Financial Statements

To consider to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** the audited financial statements of the Company for the financial year ended March 31, 2022 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. 2/- per equity share for the Financial Year ended 31st March, 2022.

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 Rs.2/- per equity Share of Rs.10/- each be declared for the financial year ended March 31, 2022 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, August 31, 2022, 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, and the Rules thereunder (including any Statutory modification(s) or re-enactment thereof for the time being in force), 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, and the Rules thereunder (including any Statutory modification(s) or re-enactment thereof for the time being in force), 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.”

5. Appointment of Statutory Auditors of the Company.

To consider, and if deemed fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provision of sections 139, 141 and 142 and other applicable provisions 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), M/s. Selvam & Suku, Chartered Accountants, Chennai, (Firm Registration No. 003701S) be and are hereby appointed as Statutory Auditors of the Company to hold the office for a term of Five years commencing from the conclusion of this Annual General Meeting until the conclusion of the 36th Annual General Meeting of the company, on a remuneration fixed at Rs.7,00,000/- plus applicable taxes as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company.

RESOLVED FURTHER THAT any one of the board of directors of the Company or Ms. Divya Raj Gupta, Company Secretary and Compliance Officer of the Company, be and are hereby severally authorized to do all such acts, deeds and things as may be considered necessary, desirable, and expedient to give effect to this resolution.”

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

Place: Chennai

Date: August 05, 2022

Divya Raj Gupta

Company secretary

Membership No. A64944

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 Auditor seeking appointment and the Explanatory Statement in respect of appointment of Directors and Auditors are annexed hereto.
2. In line with the MCA Circulars issued from time to time and the SEBI Circulars dated 12th May 2020, 15th January, 2021 and May 13, 2022, the Notice calling the AGM and Annual Report 2021-22 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 2021-22 will also be made available on the Company's website at www.elnettechnologies.com, website of the Stock Exchange i.e. BSE Limited at 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.
3. **The Register of Members will remain closed from Thursday, September 01, 2022 to Wednesday, September 07, 2022 (both days inclusive). Wednesday, August 31, 2022 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 the SEBI Listing Regulations, securities of the listed companies can be transferred only in dematerialized form with effect from April 01, 2019, and with effect from January 24, 2022 the request for effecting transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository and the transmission or transposition of securities held in physical or dematerialised form shall also be effected only in dematerialised form. 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 2014-15

within 30 days from the cut-off date i.e., August 10, 2022. As per the provisions, the 3 months' prior intimation to the eligible shareholders via Newspapers advertisement has given and the same has been updated on the website of the Company www.elnettechnologies.com. Such Members are requested to ensure their claim, before it is transferred to the said Fund.

As on March 31, 2022, following amount of dividends remained unclaimed.

Financial year for which dividend declared	Unpaid/ Unclaimed Dividend Amount As on 31.03.2022 (In Rs.)	Date of Declaration of Dividend	7 Years from the date of transfer to Unpaid Dividend Account
2014-15	230998.80	08.07.2015	10.08.2022
2015-16	319042.50	15.06.2016	18.07.2023
2016-17	271835.40	06.07.2017	08.08.2024
2017-18	230699.00	09.08.2018	07.09.2025
2018-19	213060.00	09.08.2019	11.09.2026
2019-20	163906.60	28.09.2020	30.10.2027
2020-21	200317.66	28.07.2021	30.08.2028
TOTAL	1629859.96		

7. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.,
 - a. For shares held in electronic form: to their Depository Participants (DPs)
 - b. For shares held in physical form: to the Company/Registrar and Transfer Agent in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021. The Company has sent letters along with Business Reply Envelopes (BRE) for furnishing the required details.
 - c. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition.

Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website at <http://www.elnettechnologies.com/Document/Form%20ISR-4.pdf> and on the website of the Company's Registrar and Transfer Agents, Company at <https://cameoindia.com/wp-content/uploads/2022/03/Form-ISR-4.pdf>. It may be noted that any service request can be processed only after the folio is KYC Compliant.

- d. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company, for assistance in this regard.
 - e. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company, the details of such folios together with the share certificates along with the requisite KYC Documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.
 - f. As per the provisions of Section 72 of the Act and the SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website <http://www.elnettechnologies.com/> (under Shareholder Communication/ Investor Services/Formats). Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to Company in case the shares are held in physical form.
8. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote during the AGM.
9. a. Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, please refer to the Finance Act, 2020 and the amendments thereof.

- b. The shareholders are requested to update their valid PAN with the DPs (if shares held in dematerialized form) and the Company(if shares are held in physical form).
 - c. A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by e-mail to elnetcity@gmail.com by 11:59 p.m. IST on Monday, August 29, 2022.
 - d. Shareholders are requested to note that in case their PAN is not registered,or having invalid PAN or Specified Person as defined under section 206AB of the Income-tax Act, 1961 ("the Act"), the tax will be deducted at a higher rate prescribed undersection 206AA or 206AB of the Act, as applicable.
 - e. Non-resident shareholders [including Foreign Institutional Investors (FIIs)/Foreign Portfolio Investors (FPIs)] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits. For this purpose the shareholder may submit the above documents (PDF/ JPG Format) by e-mail to elnetcity@gmail.com.
 - f. The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on Monday, August 29 2022.
- 10. 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.21/2021 dated December 14, 2021 read with 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 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020 and December 14, 2021 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)