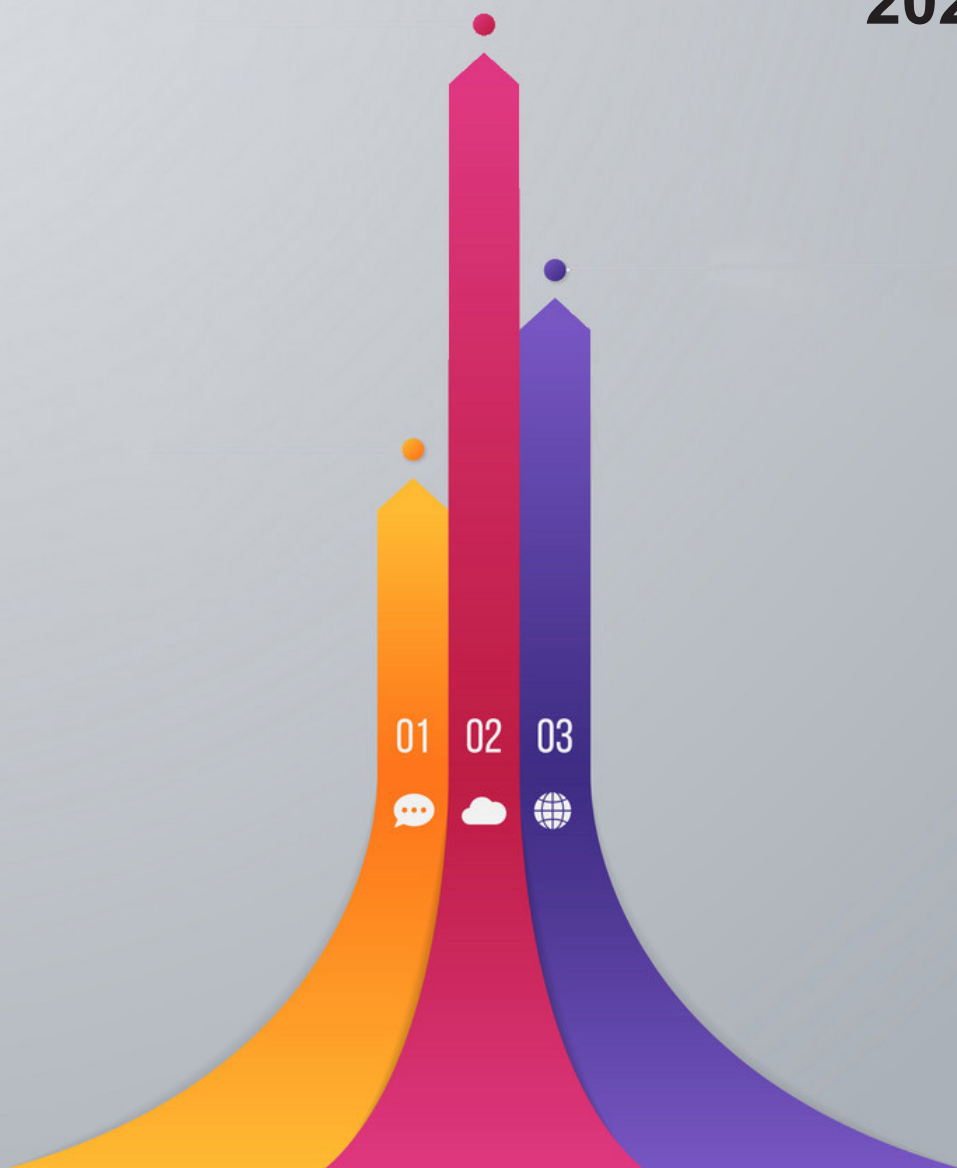


ELNET TECHNOLOGIES LIMITED

32nd ANNUAL REPORT

2022-23



BOARD OF DIRECTORS

Dr. S. Aneesh Sekhar, IAS

Chairman and Non- Executive Additional Director
(Appointment Date: May 29, 2023)

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. D. Indumathi

(Appointment Date: February 13, 2023)

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Ritesh Shivkumar Mishra

(Appointment Date: February 13, 2023)

STATUTORY AUDITORS

M/s. Selvam & Suku

Kilpauk, Chennai - 600010

SECRETARIAL AUDITORS

M/s. BP and Associates

Teynampet, Chennai - 600018

INTERNAL AUDITORS

M/s. Ajay Kumar and Associates

Chennai.

BANKERS

Axis Bank Limited

Thiruvannmiyur 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 SECOND ANNUAL REPORT 2022-23

(in ₹ Lakhs)

Financial Highlights	As per IND As						As per IGAAP			
	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Gross Revenue	3070.86	2722.50	2639.61	2911.83	2548.69	2588.33	2528.69	2414.35	2330.04	2253.80
Profit before interest and tax	1931.75	1743.77	1702.13	1553.75	1236.11	1255.59	1230.48	979.78	847.39	864.59
Profits Before Tax	1867.90	1693.62	1630.62	1467.11	1166.29	1233.15	1205.99	979.78	847.39	864.59
Taxation	498.41	432.27	431.93	382.18	325.11	333.25	422.51	335.17	284.69	280.69
Profits After Tax	1369.49	1261.35	1198.69	1084.93	841.18	899.9	783.48	644.61	562.7	583.90
Dividend	80.00	80.00	56.00	48.00	60.00	60.00	56.00	68.00	56.00	56.00
Dividend & Dividend Taxes	80.00	80.00	56.00	48.00	72.33	72.21	67.40	81.84	67.4	65.52
Borrowings	426.34	426.34	426.34	426.34	426.34	426.34	426.34	426.34	426.34	426.34
Networth	12263.20	10973.85	9685.09	8534.49	7521.15	6775.84	5912.49	5300.44	4737.36	4299.21
Earnings per Equity Share	34.24	31.53	29.97	27.12	21.03	22.5	19.59	16.12	14.07	14.60
Dividend on Equity Share	20%	20%	14%	12%	15%	15%	14%	17%	14%	14%
Debt: Equity Ratio	0.03:1	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
Book Value of the Company	306.58	274.35	242.13	213.36	188.03	169.40	147.81	132.51	118.43	107.48
Return on Networth/Return on Equity in %	10.52	10.77	11.80	12.15	10.22	12.22	12.11	10.62	10.46	12.06
Dividend Payout ratio	0.06:1	0.05:1	0.05:1	0.04:1	0.07:1	0.07:1	0.07:1	0.11:1	0.10:1	0.10:1
Dividend/Net Income - In %	5.84	6.34	4.67	4.42	7.13	6.67	7.15	10.55	9.95	9.59
Return on Capital Employed	14.72	15.29	15.90	16.20	14.29	17.82	19.70	13.67	12.87	14.03
P/E ratio	4.67	5.07	4.00	2.95	5.05	6.67	6.44	4.46	4.69	2.96

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NOTICE TO MEMBERS CONVENING THE THIRTY SECOND ANNUAL GENERAL MEETING

NOTICE is hereby given that the Thirty Second Annual General Meeting (“AGM”) of the members of Elnet Technologies Limited will be held on **Saturday, the 09th day of September 2023** at 11.00 A.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, 2023, 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. 2.00/- per equity share for the Financial Year ended 31st March 2023.

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

“**RESOLVED THAT** a final dividend of Rs.2/- (Rupees Two Only) per Equity Share of Rs. 10/- (Rupees Ten Only) each fully paid-up of the Company, as recommended by the Board of Directors be and is hereby declared for the Financial Year ended March 31, 2023, and the same be paid out of the profits of the Company.”

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

To consider and, if deemed fit, to pass 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 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.

SPECIAL BUSINESS:

5. Appointment of Dr. S. Aneesh Sekhar, IAS., (DIN: 07887010), 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, Dr. S. Aneesh Sekhar, IAS., (DIN: 07887010), who was appointed as Chairman & Non-Executive Additional Director of the Company by the Board of Directors with effect from May 29, 2023 and who holds office up to the date of this 32nd 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 or 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. 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 and the Consent of the members of the Company be and is hereby accorded to the re-appointment of Tmt. Unnamalai Thiagarajan (DIN:00203154) as the Managing Director of the Company for a period of 5 years with effect from 30th September, 2023 on the terms and conditions including remuneration as set out in the Explanatory Statement of this resolution 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 the Board of Directors or 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**

Sd/-

Ritesh Shivkumar Mishra
Company Secretary
M. No. A63025

Place: Chennai

Date: August 14, 2023

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), Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of the Item Nos. 3, 4, 5 & 6 of the above Notice is annexed hereto.
2. In view of disruptions caused by COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) has, vide General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020, General Circular No. 02/2021 dated January 13, 2021 and General Circular No. 02/2022 dated May 5, 2022 (collectively "MCA Circulars"), permitted Companies to conduct Annual General Meeting (AGM) through video conferencing or other audio visual means (VC) till December 31, 2022, subject to compliance with various conditions mentioned therein. Similarly, SEBI vide Circular No. 79 dated May 12, 2020, Circular No. 11 dated January 15, 2021 and Circular No. 62 dated May 13, 2022 granted certain relaxations pertaining to dispatch of hard copies of Annual Reports and Proxy Forms to listed entities who conduct their AGM through electronic mode till December 31, 2022. Further, MCA vide General Circular No. 10/2022 dated December 28, 2022, extended the option to conduct the AGM through VC till September 30, 2023. Similarly, SEBI vide Circular No. 4 dated January 5, 2023 extended the relaxations pertaining to dispatch of hard copies of Annual Reports and Proxy Forms to listed entities who conduct their AGM through electronic mode till September 30, 2023 subject to certain conditions, in light of same notice of the AGM along with the Annual Report for the Financial Year 2022-23 are being sent only through electronic mode to all the Members of the Company whose email addresses are registered with the Company and whose names appear in the register of members.
3. In compliance with the MCA Circulars, SEBI Circulars, and applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the 32nd AGM of your Company is being convened and conducted through VC/ OAVM.
4. In terms of the MCA Circulars, physical attendance of members has been dispensed with and, therefore, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by members under Section 105 of the Act will not be available for the 32nd AGM. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the members may be appointed for the purpose of voting through remote e-Voting through Board Resolution/ Power of Attorney/ Authority Letter, etc., for participation in the 32nd AGM through VC/ OAVM facility and e-Voting during the 32nd

AGM and since the 32nd AGM is being held through VC/ OAVM facility, the Route Map is not annexed in this Notice.

5. **The Register of Members will remain closed from Wednesday, August 30, 2023, to Saturday, September 09, 2023 (both days inclusive) and Tuesday August 29, 2023 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.**
6. 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.
7. 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.
8. 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 2015-16 within 30 days from the cut-off date i.e., 18th July 2023. As per the provisions, the 3 (Three) 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, 2023, following number of dividends remained unclaimed.

Financial year for which dividend declared	Date of Declaration of Dividend	7 Years from the date of transfer to Unpaid Dividend Account	Unpaid/ Unclaimed Dividend Amount as on 31.03.2023 (In Rs.)
2015-16	15.06.2016	18.07.2023	3,18,532.50
2016-17	06.07.2017	08.08.2024	2,71,415.40
2017-18	09.08.2018	07.09.2025	2,30,549.00
2018-19	09.08.2019	11.09.2026	2,12,760.00
2019-20	28.09.2020	30.10.2027	1,63,786.60
2020-21	28.07.2021	30.08.2028	2,00,037.66
2021-22	07.09.2022	10.10.2029	2,64,940.00

9. TDS on Dividend:

According to the Finance Act, 2020, dividend income will be taxable in the hands of the Shareholders w.e.f. April 1, 2020, and the Company is required to deduct tax at source (TDS) from the dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ('the IT Act'). In general, to enable compliance with TDS requirements, Members are requested to complete and/ or update their Residential Status, PAN, and Category as per the IT Act with their Depository Participants ('DPs') or in case shares are held in physical form, with the Company by sending documents by September 04, 2023 (upto 5:00 pm) to enable the Company to determine the appropriate TDS / withholding tax rate applicable, verify the documents and provide exemption. For resident shareholders, taxes shall be deducted at source under Section 194 of the IT Act as follows:

Members having valid PAN	10% or as notified by the Government of India
Members not having PAN / valid PAN	20% or as notified by the Government of India

However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during Financial Year 2022-23 does not exceed Rs. 5,000/- and also in cases where members provide Form 15G / Form 15H (applicable to individuals aged 60 years or more) subject to conditions specified in the IT Act. Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower / Nil withholding tax. Registered members may also submit any other document as prescribed under the IT Act to claim a lower / Nil withholding tax. PAN is mandatory for members providing Form 15G / 15H or any other document as mentioned above.