



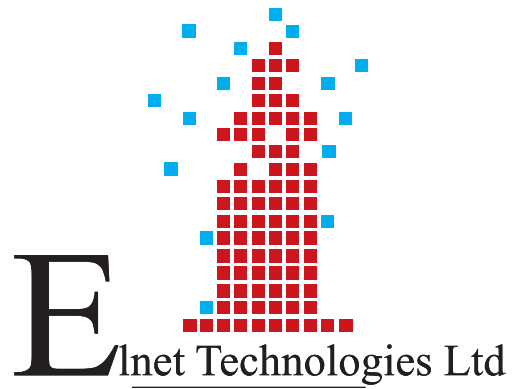
**FORM A**  
**Covering Letter of the Annual Report as per Clause 31 (a)**  
**of Equity Listing Agreement**

1	Name of the Company	M/S. ELNET TECHNOLOGIES LIMITED
2	Annual Financial Statements for the year ended	31st MARCH 2015
3	Type of Audit Observation	UNQUALIFIED
4	Frequency of Observation	NA
5	To be signed by	
	MANAGING DIRECTOR	<p>For ELNET TECHNOLOGIES LTD.</p> <p><i>Unnamalai Thiagarajan</i></p> <p>UNNAMALAI THIAGARAJAN Managing Director</p>
	CFO	<p>For ELNET TECHNOLOGIES LTD.</p> <p><i>Karthik</i></p> <p>T.K. KARTHIK Chief Financial Officer</p>
	AUDITOR OF THE COMPANY	<p>For S. H. BHANDARI &amp; CO.</p> <p><i>S. Bhandari</i></p> <p>Partner</p>
	CHAIRMAN OF THE AUDIT COMMITTEE	<p>For ELNET TECHNOLOGIES LTD.</p> <p><i>[Signature]</i></p> <p>DIRECTOR.</p>

REGD. OFF : Elnet Software City TS 140 BLOCK 2 & 9 RAJIVGANDHI SALAI, TARAMANI, CHENNAI - 600 113, TAMIL NADU, INDIA.  
 TEL : +91-44-2254 3337, +91-44-2254 1098 FAX : +91-44-2254 1955  
 E.mail: elnet@nd4.vsnl.net.in www.elnettechnologies.com

CIN : L72300TN1990PLC019459

CIN : L72300TN1990PLC019459



# **Twenty Fourth Annual Report**

**2014 - 2015**

BOARD OF DIRECTORS

Thiru Atul Anand, IAS, Chairman  
Tmt. Unnamalai Thiagarajan, Managing Director  
Thiru C. Ramachandran, IAS (Retd.)  
Thiru J. Ravi  
Thiru R. Ganapathi  
Thiru H. Karthik Seshadri  
Thiru K. Padmanaban  
Thiru G. Senrayaperumal  
Dr.V. Dharmalingam  
Thiru K. Kasim, IPS (Retd.)  
Thiru G. Chellakrishna  
Thiru R. Sridhar

STATUTORY AUDITORS

M/s. S.H. Bhandari & Co.  
Chartered Accountants  
Bhandari Towers, 824, EVR Periyar Road  
Kilpauk, Chennai 600 010

BANKERS

M/s. State Bank of India  
Industrial Finance Branch  
155, Anna Salai  
Chennai 600 002

M/s. Axis Bank Limited  
Thiruvanmiyur,  
Chennai 600 041

M/s. Canara Bank  
Tidel Park, Chennai 600 113

REGISTERED OFFICE

Elnet Software City  
TS 140, Block No.2&9,  
Rajiv Gandhi Salai,  
Taramani, Chennai 600 113  
Phone – 044 – 2254 1337 / 1098  
Fax – 044 – 2254 1955  
E-mail : elnet@md4.vsnl.net.in  
Website : www.elnettechnologies.com

REGISTRARS AND SHARE  
TRANSFER AGENTS

M/s. Cameo Corporate Services Limited  
“Subramanian Building”, 5th Floor  
No.1, Club House Road, Chennai 600 002  
Phone – 044 – 2846 0390 (6 lines)  
Fax – 044 – 2846 0129

## TWENTY FOURTH ANNUAL REPORT 2014 - 15

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### FINANCIAL HIGHLIGHTS

(In ₹ Lakhs)

HIGHLIGHTS	2014-15	2013-14	2012-13	2011-12	2010-11
Gross Revenue	2330.04	2253.80	2169.21	1687.72	1606.45
Profits Before Tax	847.39	864.59	802.03	635.51	570.88
Taxation	284.69	280.69	263.13	214.16	206.27
Profits After Tax	562.70	583.90	538.90	421.35	364.61
Dividend & Dividend Taxes	67.40	65.52	65.52	55.79	56.79
Borrowings	426.34	426.34	426.34	426.34	873.44
Networth	4737.36	4299.21	3780.82	3298.38	2932.82
Earnings per Equity Share	14.07	14.60	13.47	10.53	9.12
Dividend on Equity Share	14%	14%	14%	12%	12%
Debt: Equity Ratio	0.09:1	0.1:1	0.1:1	0.1:1	0.3:1

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### NOTICE

NOTICE is hereby given that the TWENTY FOURTH Annual General Meeting of ELNET TECHNOLOGIES LIMITED (CIN: L72300TN1990PLC019459) will be held on Wednesday, the 8th July 2015 at 11.00 AM (IST) at New Woodlands Hotel Pvt. Ltd., No.72-75, Dr.Radhakrishnan Salai, Mylapore, Chennai 600 004 to transact the following business :

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statement of Profit & Loss Account for the Financial Year ended on 31st March 2015 and the Balance Sheet as at that date and the Reports of the Directors and the Auditors thereon.
2. To declare Dividend on the equity shares.
3. To appoint Auditors and to fix their remuneration

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

“RESOLVED THAT pursuant to the provision of sections 139 and 142 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), pursuant to the recommendations of the Board of Directors, M/s.S.H. Bhandari & Co., Chartered Accountants (FRN : 000438S), Chennai be and are hereby appointed as Statutory Auditors of the Company to hold office for a term of two (2) years from the conclusion of this Annual General Meeting till the conclusion of the 26th Annual General Meeting (Subject to ratification of such appointment by the Members at the subsequent Annual General Meeting) on a remuneration of Rs.3,25,000/- plus service tax as applicable”.

4. To appoint a Director in place of Thiru C. Ramachandran, IAS (Retd.) (DIN:0050893) who retires by rotation and is eligible for re-appointment.

### SPECIAL BUSINESS

#### 5. RE-APPOINTMENT OF THIRU R. GANAPATHI AS 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, 152, 160 and other applicable provisions, of the Companies Act, 2013 (“Act”), and under clause 49 of the Listing Agreement, Thiru R. Ganapathi, who was re-appointed as an Independent Director by the Board of Director’s meeting held on 30.07.2014 in respect of whom the Company has, as required by Section 149(6) of the Companies Act 2013, received a notice in writing under Section 160 of the Act, from a member proposing his candidature for the Office of Director be and is hereby appointed as an Independent Director of the Company to hold office for a second term of 5(Five) consecutive years from 30th July 2014 and is not subject to retire by rotation”.

**6. RE-APPOINTMENT OF THIRU H. KARTHIK SESHADRI AS 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, 152, 160 and other applicable provisions, of the Companies Act, 2013 (“Act”), and under clause 49 of the Listing Agreement, Thiru H. Karthik Seshadri, who was re-appointed as an Independent Director by the Board of Director’s meeting held on 30.07.2014 in respect of whom the Company has, as required by Section 149(6) of the Companies Act 2013, received a notice in writing under Section 160 of the Act, from a member proposing his candidature for the Office of Director be and is hereby appointed as an Independent Director of the Company to hold office for a second term of 5(Five) consecutive years from 30th July 2014 and is not subject to retire by rotation”.

**7. RE-APPOINTMENT OF THIRU G. SENRAYAPERUMAL AS 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, 152, 160 and other applicable provisions, of the Companies Act, 2013 (“Act”), and under clause 49 of the Listing Agreement, Thiru G. Senrayaperumal, who was re-appointed as an Independent Director by the Board of Director’s meeting held on 30.07.2014 in respect of whom the Company has, as required by Section 149(6) of the Companies Act 2013, received a notice in writing under Section 160 of the Act, from a member proposing his candidature for the Office of Director be and is hereby appointed as an Independent Director of the Company to hold office for a second term of 5(Five) consecutive years from 30th July 2014 and is not subject to retire by rotation”.

**8. RE-APPOINTMENT OF THIRU K. KASIM, IPS, (Retd.) AS 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, 152, 160 and other applicable provisions, of the Companies Act, 2013 (“Act”), and under clause 49 of the Listing Agreement, Thiru K.Kasim, IPS, (Retd.), who was re-appointed as an Independent Director by the Board of Director’s meeting held on 30.07.2014 in respect of whom the Company has, as required by Section 149(6) of the Companies Act 2013, received a notice in writing under Section 160 of the Act, from a member proposing his candidature for the Office of Director be and is hereby appointed as an Independent Director of the Company to hold office for a second term of 5(Five) consecutive years from 30th July 2014 and is not subject to retire by rotation”.

By Order of the Board of Directors  
For Elnet Technologies Limited

Place : Chennai  
Date : 22.05.2015

**S. LAKSHMI NARASIMHAN**  
COMPANY SECRETARY

## TWENTY FOURTH ANNUAL REPORT 2014 - 15

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### NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the commencement of Annual General Meeting.
2. The relative explanatory Statement as required under Sec. 102 of the Companies Act 2013, in respect of the Business under item no.5 to item no.8 the accompanying Notice are annexed hereto.
3. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.
4. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
5. The Register of Members and the Share Transfer Books of the Company shall remain closed from 01.07.2015 to 08.07.2015 (Both days inclusive) for payment of dividend, if declared at the Meeting.
6. The payment of dividend, upon declaration by the shareholders, at the ensuing Annual General Meeting will be made within one month from the date of Annual General Meeting.
7. Members holding shares in dematerialized mode are requested to intimate all changes pertaining to their Bank details, change in address etc., to their Depository participant only and not to the Company's Registrar and Share Transfer Agent.

Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and its Registrars and Share Transfer Agents to provide efficient and better service to the Members.

Pursuant to the provisions of Sec 124 of the Companies Act, 2013, dividend declared, which remain unclaimed for a period of seven years will be transferred by the Company to the Investor Education and Protection Fund as shown here under.



Financial Year	Unpaid / Unclaimed dividend as on 31.03.2015	Date of declaration	Due Date of the proposed transfer to Investor Education and Protection Fund
2007-08	3,85,520.00	30.07.2008	31.08.2015**
2008-09	2,57,049.00	07.07.2009	08.08.2016
2009-10	2,92,039.20	21.07.2010	24.08.2017
2010-11	3,54,114.40	28.06.2011	31.07.2018
2011-12	3,10,218.00	22.06.2012	24.07.2019
2012-13	2,44,598.20	20.06.2013	22.07.2020
2013-14	2,56,384.80	17.07.2014	20.07.2021
<b>Total</b>	<b>20,99,923.60</b>		

**\*\* Please note that as per sec.124 of the Companies Act, 2013, the Company has to transfer the pending amount lying in the Unpaid Dividend account to Investor Education and Protection Fund within 30 days from the due date. Hence the said amount will be transferred accordingly.**

Members who have not so far received / encashed dividend for the aforesaid years are requested to seek payment of dividend by writing to the Company immediately. Members are also requested to note that no claims shall lie against the said fund or the Company in respect of any amounts which were unclaimed and unpaid for seven years from the date they first became due for payment and no payment shall be made in respect of any such claims.

8. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No.
9. Members who are holding shares in physical form are requested to intimate to the Registrar and Transfer Agents (R&TA) of the Company immediately about change in their address, if any.
10. Members may contact the Company at Email: elnet@md4.vsnl.net.in for any query.
11. Members who are holding shares in more than one folio are requested to intimate to the Registrars the details of all their folio numbers for consolidation into a single folio. Members who hold shares in dematerialized form are requested to write their Client ID and DPID and those hold shares in physical form are requested to write their folio no. in the attendance slip while attending the meeting for easy identification of attendance at the meeting.

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12. Members are requested to
  - i) write to the Company at least seven days before the date of the Meeting, in case they desire any information as regards the Audited Accounts for the Financial year ended 31.03.2015, so as to enable the Company to keep the information ready.
  - ii) Quote registered folio number or Client ID in all the correspondence.
  - iii) Send all share transfer lodgments (physical mode) / correspondence to the Registrar and Share Transfer Agents of the Company.
13. Members are informed that trading and settlement of Company's shares through Stock Exchange has been made compulsory in Demat (Electronic) form. In view of this mandatory requirement the members are requested in their own interest to dematerialize their shareholding in the Company.
14. Members are informed that in case of joint holders attending the meeting, only such joint holder who is higher in the order of the names will be entitled to vote.
15. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours upto the date of the Meeting.

Business Hours : Monday to Friday - 09.30 am to 05.30 am.  
Saturday - 09.30 am to 01.00 pm
16. In respect of shares held in Electronic form, the dividend will be payable to the beneficial owners of the shares as on closing hours of business on Tuesday 30th June 2015 as per the details furnished by National Securities Depository Limited (NSDL) and Central Depositories Services India Limited (CDSL), the Depositories, for this purpose.
17. Pursuant to clause 49 of the Listing Agreement, the brief resume/details of the Directors being re-appointed, annexed hereto.
18. The Reserve Bank of India (RBI), as instructed banks to move to the National Electronic Clearing Services (NECS)/NEFT/RTGS platform. In this regard, please note that if the members have not provided to the company or their Depository Participants (DP), the new Bank account, if any, allotted to them, after implementation of Core Banking Systems (CBS), credit of dividend through NECS/NEFT/RTGS to their old bank account number, may be rejected or returned by the Banking system. In the above circumstances, the members are requested to furnish the new Bank account number, if any, allotted to them by the Bank after it has implemented the CDS together with the name of the Bank,

Branch, nine digit MICR Bank/Branch code, account type by quoting their folio number, DP ID and client ID and photocopy of the cheque pertaining to their new Bank account, so that the dividend can be credited to the said bank account. Members who have not opted or updated their accounts are now requested to opt for this to avoid losses and delays. Members holding shares in physical for availing the NECS/NEFT/RTGS facilities should furnish a request in this regard to the Company/Company's Registrar and Share Transfer Agent, unit of Elnet Technologies Limited, (Share Transfer Agent), in the NECS/NEFT/RTGS form available with the company.

19. The Company is obliged to print such bank's details on the Dividend warrants as furnished by the DPs and the company cannot entertain any request for deletion/change of the bank details already printed on the dividend warrant(s), based on the information received from the concerned DPs without confirmation from them. In this regard, members are advised to contact their DPs and furnish them the particulars of any change desired, if not already provided.
20. Pursuant to the provisions of Section 72 of the Companies Act, 2013, the Member(s) holding shares in physical form may nominate, in the prescribed manner, any person to whom all the rights in the shares shall vest in the event of death of the sole holder or all the joint holders. A nomination form for this purpose is available with the Share Transfer Agent, Member(s) holding shares in demat form may contact their respective DPs for availing this facility.
21. Pursuant to Section 101 of Companies Act, 2013 read with the relevant Rules, the Company is allowed to serve documents like notice, annual reports, etc., in electronic form to its Members. Accordingly, the said documents of the Company for the financial year ended March 31, 2015, will be sent in electronic form to those Members who have registered their e-mail address with their DPs and made available to the Company by the Depositories. However, in case a Member wishes to receive a physical copy of the said documents, the Member is requested to send an e-mail duly quoting his DP ID and Client ID or the Folio number, as the case may be, to [elnet@md4.vsnl.net.in](mailto:elnet@md4.vsnl.net.in). Accordingly, the Company shall update its database by incorporating/updating the designated e-mail address in its records. Please note that the said documents will also be uploaded on the website of the company at [elnettechnologies.com](http://elnettechnologies.com) and made available for inspection at the Registered office of the Company during business hours of the Company.

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### ANNEXURE TO THE NOTICE

#### EXPLANATORY STATEMENT U/S 102(1) OF COMPANIES ACT 2013

##### Item No. 3. Appointment of Auditors

As more than 25% of the paid up capital is held by M/s Electronics Corporation of Tamil Nadu Limited, a Government of Tamil Nadu Undertaking, the appointment or reappointment at each Annual General Meeting of the Auditors of the Company shall be made by a Special Resolution as per Sec 139 and 142 of the Companies Act, 2013. M/s S.H. Bhandari & Company Chartered Accountants, who are the Statutory Auditors for the financial year ended 31.03.2015 is being proposed to be appointed as Auditors for the financial year ending 31.03.2016.

Directors recommend the passing of the resolution.

No Director is interested or concerned in this item of business.

##### Item No.5 to 8:

The Board, at its meeting held on 30.07.2014 re-appointed Thiru R. Ganapathi, Thiru H. Karthik Seshadri, Thiru G. Senrayaperumal and Thiru K. Kasim, IPS, (Retd.), as the Independent Directors for a further term of 5 years with effect from 30th July 2014, as set out at item Nos.5 to 8 of this Notice. Accordingly, the re-appointment of the abovesaid Directors is required to be made in accordance with the applicable provisions of the Companies Act, 2013.

The provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors which has come into effect on 01.04.2014 provides that the Independent Directors shall be appointed for not more than two terms of up to five years each and shall not be liable to retire by rotation at every AGM. In accordance with the provisions of the revised Clause 49 of the Listing Agreement, those Independent Directors who have already served for five or more years will serve for a maximum period of one term of five years. The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the amendment made to Clause 49 of the Listing Agreement.

All the above Directors are not disqualified from being re-appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors. The Company has received notices in writing from members along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Thiru R.Ganapathi, Thiru H. Karthik Seshadri, Thiru G. Senrayaperumal and Thiru K. Kasim for the office of Directors of the Company.

All the abovesaid Independent Directors of the Company, have furnished declarations to the Company under Section 149(7) of the Companies Act, 2013 confirming that they meet the criteria prescribed for Independent Directors under Section 149(6) of the Companies Act, 2013 as well as Clause 49 of the amended Listing Agreement. In the opinion of the Board, each of these directors fulfil the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and they are independent of the management.

The Board accordingly recommends the resolutions at items No.5 to 8 of this Notice for approval of the Members.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

None of the Directors or Key Managerial Personnel of the Company other than those mentioned in the respective resolutions and their relatives are in any way concerned or interested, financially or otherwise, in the resolutions at items No.5 to 8 of this Notice.

By Order of the Board of Directors  
For Elnet Technologies Limited

Place : Chennai  
Date : 22.05.2015

**S. LAKSHMI NARASIMHAN**  
COMPANY SECRETARY

## TWENTY FOURTH ANNUAL REPORT 2014 - 15

<b>INFORMATION ON DIRECTORS RETIRING BY ROTATION SEEKING REAPPOINTMENT AND DIRECTORS PROPOSED TO BE APPOINTED AT THE ANNUAL GENERAL MEETING</b>						
Name	Thiru C. Ramachandran, IAS (Retd.)	Thiru R. Ganapathi	Thiru H. Karthik Seshadri	Thiru G.Senrayaperumal	Thiru K.Kasim, IPS (Retd.)	
Date of Birth and age	15.05.1938 & 77 Years	28.06.1955 & 59 Years	16.05.1973 & 42 Years	03.02.1946 & 69 years	11.10.1938 & 76 Years	
Appointed on	08.08.2003	14.08.2003	08.08.2003	25.10.2006	27.01.2010	
Qualification	B.Sc (Hons) MA	B.Tech - Mechanical Engineering - IIT, Chennai	B.A. LLB (Hons.)	B.Com.,	Honours Graduate and IPS Reid	
Experience in specific functional areas	Served in Government in various capacities. Worked in public sector companies and retired as Principal Secretary, Industries Dept., Has specialised in the area of Corporate Management	Engineering - Management. IT Training, Construction and heavy machinery trading	Extensive practice over the past 13 years with emphasis on commercial and corporate litigations, Mergers & Acquisitions, as also other Non litigation transactional work. Credited with arguing a number of cases before the High Court of Madras and other Tribunal, Customs, Excise & Service Tax Appellate Tribunal, Securities Appellate Tribunal, Mumbai and having a number of these cases reported in many law journals.	Had 23 years of service in CBCID, The State's leading investigating Agency of Tamil Nadu Government. During his tenure in crime Branch handled number of important cases. Also has worked as Liaison officer in All India Police Duty Meets held in Srinagar, Delhi, Shimla, Ahmedabad, Bangalore, Chennai, etc. Has served in various cadres in Police Departments.	An IPS Officer retired in 1994. Vast experience in teaching profession. Eminent writer in the field of political, Religious, etc.	
Directorship/ Chairmanship held in other public companies	Tamilnadu Petroproducts Ltd - Director IG3 Infra Ltd (formerly Indian Green Grid Group Limited - Director Elmet Software City Ltd - Director The Great Indian Linen & Textile Infrastructure Company Pvt. Ltd - Director ETL Corporate Services Pvt. Ltd - Director ETL Power Services Ltd - Director Appu Hotels Ltd - Director Tuisian NEC Ltd - Director Grand Luxe Hotels Ltd.	IG3 INFRA LIMITED Trigyn Technologies Ltd - Director Trigyn Technologies (India) Pvt. Ltd - Director Leading Edge Infotech Ltd - Director Orient Green Power Company Ltd - Director Beta Wind Farm Private Limited - Director IL & FS Technologies Limited - Additional Director	Elmet Software City Ltd. - Director Magic Caravan Schools Private Limited IANTE LPO PRIVATE LIMITED		IG3 Infra Ltd (formerly Indian Green Grid Group Limited - Director	



## TWENTY FOURTH ANNUAL REPORT 2014 - 15

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### E-VOTING FACILITY

As per the section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, e-voting facility is a mandatory requirement for listed companies

#### The instructions for shareholders voting electronically are as under:

- 1 The voting period begins on 03rd July 2015 at 10.00 AM and ends on 07th July 2015 by 05.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 01st July 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - (ii) Click on Shareholders.
  - (iii) Enter your User ID as categorised below
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - (iv) Enter the Image Verification as displayed.
  - (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - (vi) If you are a first time user follow the steps given below:

PAN	Enter your 10 digit alpha-numeric *PAN <ul style="list-style-type: none"><li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.( Sequence number has been provided as Serial Number (SL NO.) in the Address Label</li><li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li></ul>
DOB	Enter the Date of Birth in dd/mm/yyyy format.



Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>
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- (vii) After entering these details appropriately, click on “SUBMIT” tab
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant Elnet Technologies Limited on which you choose to vote.
- (xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvi) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password& enter the details as prompted by the system.

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(xvii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xviii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- 2) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 01st July 2015.
- 3) The Company shall be making arrangement for the member to cast their votes in respect to the business through poll, for members attending the meeting who have not cast their vote by voting.
- 4) M/s. BP & Associates, Company Secretaries, have been appointed as the Scrutinizer to scrutinise the e-voting process in a fair and transparent manner.
- 5) The Scrutinizer shall, immediately after the conclusion of voting at the General Meeting, first count the votes cast at the meeting, thereafter unlock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and present the report not later than three days of conclusion of the meeting, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same and Chairman shall declare the results of the voting forthwith, which shall not be later than 05.00 pm., 11th July 2015.
- 6) The result declared, along with the Scrutinizer’s report shall be placed on the company’s website [www.elnettechnologies.com](http://www.elnettechnologies.com) and on the website of the CDSL after the result is declared by the Chairman and also be communicated to the Stock Exchange where the company is listed.

## DIRECTORS' REPORT

To  
The Members

Your Directors have great pleasure in presenting the TWENTY FOURTH Annual Report together with the Audited Accounts of your Company for the Financial Year ended 31.03.2015.

Members would be happy to note that your company has had a successful year of operation, which resulted in an after tax profit of Rs.562.70 Lakhs.

### OPERATIONS

The highlights of the financials of your company are as under:-

Sl. No.	Particulars	For the year ended 31.3.2015 ₹ in Lakhs	For the year ended 31.3.2014 ₹ in Lakhs
1.	Gross Income	2330.04	2253.80
2.	Profit Before Interest and Depreciation	1338.76	1210.04
3.	Finance Charges	0.37	0.40
4.	Profit before Depreciation	1338.40	1209.64
5.	Provision for Depreciation	491.00	345.05
6.	Net Profit Before Tax	847.39	864.59
7.	Provision for Tax (net off write back)	284.69	280.69
8.	Profit After Tax	562.70	583.90
9.	Balance of Profit brought forward	1504.40	1186.02
10.	Balance available for appropriation	2067.10	1769.92
11.	Proposed Dividend on Equity Shares	56.00	56.00
12.	Tax on proposed Dividend	11.40	9.52
13.	Transfer to General Reserve	200.00	200.00
14.	Surplus carried to Balance Sheet	1799.70	1504.40

## TWENTY FOURTH ANNUAL REPORT 2014 - 15

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### DIVIDEND

Your Directors are pleased to recommend a dividend of 14% on the Equity Share Capital of the Company for the year ended March 31, 2015. The dividend, if approved by the Shareholders will be paid out of the profits of the Company for the year to all those equity shareholders whose names appear on the Register of Members of the Company as on 30th June 2015, being the record date.

### FUTURE PROSPECTS

Your Company currently enjoys 100% occupancy level. There is no proposal for any further expansion at this moment.

### SUBSIDIARY COMPANY

The statement pursuant to Sec 129 of the Companies Act, 2013, containing the relevant details of the Company's subsidiary is attached. As the Company is yet to commence its operations, performance report of this subsidiary is not applicable.

### BOARD MEETING

The Board of Directors met six times during this financial year. The dates of the meetings were as follows:

1) 22.04.2014	2) 30.05.2014	3) 30.07.2014
4) 30.10.2014	5) 30.01.2015	6) 27.03.2015

### DIRECTORS AND KEY MANAGERIAL PERSONNEL:

During the year under review the following Directors, KMPs were appointed:

Date of appointment	Name	Designation
22.04.2014	Thiru G. Chellakrishnan	Non-Executive Independent Director
22.04.2014	Thiru R. Sridhar	Nominee Director
30.05.2014	Thiru S. Lakshmi Narasimhan	Company Secretary
01.08.2014	Thiru T.K. Karthik	Chief Financial Officer

### COST AUDITOR

Pursuant to Section 148 of the Companies Act, 2013 and the Cost Audit Rules 2014 thereof, our company's threshold limit does not qualify for conducting the Cost Audit.

## **CORPORATE GOVERNANCE**

Your Company follows the principles of effective Corporate Governance Practices. The Company has taken steps to comply with the revised Clause 49 of the Listing Agreement with the Stock Exchange. A report on Corporate Governance is given under separate section titled “Report on Corporate Governance” and forms part of the Annual Report.

The Management Discussion and Analysis Report also form part of the Annual Report.

Also a Report on Annual Return Extracts in MGT 9, Declaration from Independent Directors on Annual Basis and AOC2-Related Party Transactions disclosure are being annexed as part of the Annual Report.

## **LISTING OF SHARES**

Your Company’s share is listed presently in Bombay Stock Exchange Limited. During the period under review, your Company’s share had been de-listed from Madras Stock Exchange Limited due to voluntary closure of the exchange’s operations.

## **DEMATERIALIZATION OF EQUITY SHARES**

As on 31.03.2015, 37,47,635 numbers of equity shares are held in Dematerialized Form, which constitutes 93.69% of total shareholding.

## **FIXED DEPOSITS**

The company has not invited and accepted Fixed Deposits from the public.

## **DIRECTORS**

Under the provisions of the Articles of Association of the Company, one of your Director Thiru C. Ramachandran, IAS (Retd.), retires by rotation at the forth coming Annual General Meeting. Thiru C. Ramachandran, IAS (Retd.), being eligible, offers himself for reappointment.

## **DIRECTORS’ RESPONSIBILITY STATEMENT**

Pursuant to Sec. 134 clause (C) of sub-section (3) of the Companies Act, 2013, the Directors confirm:

- (a) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

## **TWENTY FOURTH ANNUAL REPORT 2014 - 15**

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- (c) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) that the directors have prepared the annual accounts on a going concern basis; and
- (e) that the directors, in the case of a listed company, have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) that the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

As part of its initiatives under “corporate social responsibility” (CSR), the company has contributed funds of Rs.15,35,000/- to Swachh Bharath Kosh during the year. The Annual Report on CSR activities is annexed herewith as Annexure.

### **AUDITORS**

M/s S.H. Bhandari & Co. Chartered Accountants, Chennai, the Statutory Auditors of the Company retire at the conclusion of this Annual General Meeting and have expressed their willingness to continue as auditors of the company for the financial years 2015-16 and 2016-17. Necessary special resolution has been proposed for appointing them as auditors pursuant to Sec 139 of the Companies Act, 2013. There is no qualification, reservation or adverse remark or disclaimer made by the Auditor.

### **INDUSTRIAL RELATIONS**

Industrial relations, during the period under review, continued to remain cordial.

### **PARTICULARS OF EMPLOYEES**

None of the employees of the Company were in receipt of remuneration, which in the aggregate exceeded the limits fixed under Section 134 of the Companies Act, 2013.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

As the company is not an industrial undertaking, particulars with regard to conservation of energy and technology absorption required to be given under these heads in accordance with the provisions of Section 134 of the Companies Act, 2013, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable.

**EARNINGS IN FOREIGN EXCHANGE:                      NIL**

**EXPENSES INCURRED IN FOREIGN CURRENCY DURING THE YEAR: NIL**

**BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR/STATE OF COMPANY'S AFFAIR**

As the Company has its operations in one location, the same is not applicable to your company.

**SHARE CAPITAL**

During the year under review, your Company has not issued any type of Share capital.

**FORMAL ANNUAL EVALUATION**

The Company being a IT Infra Structure provider and established in the year 1990 continued to operate on profitable basis year by year. However, the profits have not gone beyond a measured scale of 5% to 10% due to moderate growth in IT infrastructure sector.

**VIGIL MECHANISM (Whistle Blower Policy)**

As per Section 177 of the Companies Act, 2013, your company had established the vigil mechanism.

**SECRETARIAL AUDIT REPORT**

A Secretarial Audit Report given by Shri S. Bhaskar, Practicing Company Secretary is being annexed in MR 3 Form. There is no qualification, reservation or adverse remark or disclaimer made by the Company Secretary in Practice in the Secretarial Audit Report.

**ACKNOWLEDGEMENT**

Your Directors wish to express their sincere thanks to the Government of Tamil Nadu, Electronics Corporation of Tamil Nadu Ltd., State Bank of India, Industrial Finance Branch, Chennai, Canara Bank, Tidel Park Branch, Axis Bank, Thiruvannamiyur Branch and the Company's customers for their support and co-operation extended to the Company. Your Directors also wish to place on record their appreciation for the good work put in by the employees of your Company.

For and on behalf of the Board of Directors,

Place : Chennai  
Date : 22.05.2015

**UNNAMALAI THIAGARAJAN**  
MANAGING DIRECTOR

**K. PADMANABAN**  
DIRECTOR

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### Annual Return Extracts in Form No. MGT 9

as on the financial year ended on 31.03.2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

- i) CIN:-L72300TN1990PLC019459
- ii) Registration Date 01-08-1990
- iii) Name of the Company: M/s.Elnet Technologies Limited
- iv) Category of the Company : Public Company Limited by Shares
- v) Address of the Registered office and contact details  
Elnet Software City, TS 140, Block 2&9, Rajiv Gandhi Salai,  
Taramani, Chennai 600 113
- vi) Whether listed company Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent :  
M/s. Cameo Corporate Services Limited  
"Subramanian Building", 5th Floor, No.1, Club House Road, Chennai 600 002

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Renting of Office Space	852	100

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. No.	Name and Address of the Company	CIN/GLN	Holding Company	% of shares held	Applicable Section
1	Elnet Software City Limited, TS 140, Block 2&9, Rajiv Gandhi Salai, Taramani, Chennai 600 113	U45209TN2005PLC055 728	Elnet Technologies Limited	100%	2 (87) of Companies Act, 2013



#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### (i) Category-wise Share Holding

NAME OF THE COMPANY : ELNET TECHNOLOGIES LTD

Face Value : ₹ 10/-

Paidup Shares : 4000007

For the Period From : 31-Mar-2014 to : 31-Mar-2015

"Category code"	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares"	Demat	Physical	Total	% of Total Shares"	
A.	"SHAREHOLDING OF PROMOTER AND PROMOTER GROUP"									
1.	INDIAN									
a.	"INDIVIDUALS/HINDU UNDIVIDED FAMILY"	369483	0	369483	9.2370	369483	0	369483	9.2370	0.0000
b.	"CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)"	1040006	0	1040006	26.0001	1040006	0	1040006	26.0001	0.0000
c.	BODIES CORPORATE	704372	0	704372	17.6092	704372	0	704372	17.6092	0.0000
d.	"FINANCIAL INSTITUTIONS/ BANKS"	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	ANY OTHER									
	SUB - TOTAL (A)(1)	2113861	0	2113861	52.8464	2113861	0	2113861	52.8464	0.0000
2.	FOREIGN									
a.	"INDIVIDUALS (NON-RESIDENT INDIVIDUALS/ FOREIGN INDIVIDUALS)"	0	0	0	0.0000	0	0	0	0.0000	0.0000
b.	BODIES CORPORATE	0	0	0	0.0000	0	0	0	0.0000	0.0000
c.	INSTITUTIONS	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	ANY OTHER									
	SUB - TOTAL (A)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	"TOTAL SHARE HOLDING OF PROMOTER AND PROMOTER GROUP (A) = (A)(1)+(A)(2)"	2113861	0	2113861	52.8464	2113861	0	2113861	52.8464	0.0000

## TWENTY FOURTH ANNUAL REPORT 2014 - 15

"Category code"	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				"% Change during the year"
		Demat	Physical	Total	"% of Total Shares"	Demat	Physical	Total	"% of Total Shares"	
B.	PUBLIC SHAREHOLDING									
1.	INSTITUTIONS									
a.	MUTUAL FUNDS/UTI	0	0	0	0.0000	0	0	0	0.0000	0.0000
b.	"FINANCIAL INSTITUTIONS/BANKS"	0	0	0	0.0000	0	0	0	0.0000	0.0000
c.	"CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)"	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	VENTURE CAPITAL FUNDS	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	INSURANCE COMPANIES	0	0	0	0.0000	0	0	0	0.0000	0.0000
f.	"FOREIGN INSTITUTIONAL INVESTORS"	0	0	0	0.0000	0	0	0	0.0000	0.0000
g.	"FOREIGN VENTURE CAPITAL INVESTORS"	0	0	0	0.0000	0	0	0	0.0000	0.0000
h.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
i.	ANY OTHER									
2.	SUB - TOTAL (B)(1)	0	0	0	0.0000	0	0	0	0.0000	0.0000
a.	NON-INSTITUTIONS									
b.	BODIES CORPORATE	81745	9900	91645	2.2911	113980	9900	123880	3.0969	0.8058
	INDIVIDUALS -									
	"I" INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL UPTO RS. 1 LAKH"	1156562	246371	1402933	35.0732	1122870	242472	1365342	34.1334	-0.9397
	"II" INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF RS. 1 LAKH"	304575	0	304575	7.6143	306416	0	306416	0.0460	
c.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000

"Category code"	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year"	
		Demat	Physical	Total	% of Total Shares"	Demat	Physical	Total	% of Total Shares"		
d.	ANY OTHER										
	CLEARING MEMBERS	3100	0	3100	0.0774	1430	0	1430	0.0357		-0.0417
	HINDU UNDIVIDED FAMILIES	71359	0	71359	1.7839	67115	0	67115	1.6778		-0.1060
	NON RESIDENT INDIANS	12534	0	12534	0.3133	21963	0	21963	0.5490		0.2357
		86993	0	86993	2.1748	90508	0	90508	2.2626		0.0878
	SUB - TOTAL (B)(2)	1629875	256271	1886146	47.1535	1633774	252372	1886146	47.1535		0.0000
	"TOTAL PUBLIC SHAREHOLDING (B) = (B)(1)+(B)(2)"	1629875	256271	1886146	47.1535	1633774	252372	1886146	47.1535		0.1949
	TOTAL (A)+(B)	3743736	256271	4000007	100.0000	3747635	252372	4000007	100.0000		0.0000
C.	"SHARES HELD BY CUSTODIANS AND AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED "										
	Promoter and Promoter Group	0	0	0	0.0000	0	0	0	0.0000		0.0000
	Public	0	0	0	0.0000	0	0	0	0.0000		0.0000
	TOTAL CUSTODIAN (C)	0	0	0	0.0000	0	0	0	0.0000		0.0000
	GRAND TOTAL (A)+(B)+(C)	3743736	256271	4000007	100.0000	3747635	252372	4000007	100.0000		0.0000

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)**

**ii) Shareholding of promoters**

**Name of the Company : ELNET TECHNOLOGIES LTD**

Sl No	Shareholder's Name	Shareholding at the beginning of the year				Shareholding at the end of the year				"% change in shareholding during the year"	FOLIO/DP_CL_ID	PAN	"Pledged Shares at beginning of the Year"	"Pledged Shares at end of the Year"
		No of shares	"% of total shares of the company"	"% of shares pledged / encumbered to total shares"	No of shares	"% of total shares of the company"	"% of shares pledged / encumbered to total shares"	"% of shares pledged / encumbered to total shares"						
1	ELECTRONICS CORPORATION OF TAMILNADU LTD	1040006	26.0001	0.0000	1040006	26.0001	0.0000	0.0000	0.0000	IN30059710269372	AAACE1670K	0	0	
2	STUR TECHNOLOGIES PVT LTD	450000	11.2499	0.0000	450000	11.2499	0.0000	0.0000	0.0000	IN30048414280674	AABCN2738A	0	0	
3	SHANMUGHAM THIAGARAJAN	369483	9.2370	0.0000	0	0.0000	0.0000	0.0000	-9.2370	1301740000005813	ADPC5420H	0	0	
4	SOUTHERN PROJECTS MANAGEMENT PVT LTD	254371	6.3592	0.0000	254371	6.3592	0.0000	0.0000	0.0000	IN30048413511068	AAKCS9432P	0	0	
5	STUR PROJECTS MANAGEMENT PVT LTD	1	0.0000	0.0000	1	0.0000	0.0000	0.0000	0.0000	IN30048414288023	AABCN2739B	0	0	
6	SHANMUGHAM THIAGARAJAN .	0	0.0000	0.0000	369483	9.2370	0.0000	0.0000	9.2370	1207760000008109	DZCPS9718F	0	0	

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)**  
**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**  
**Name of the Company : Elnet Technologies Ltd**

Sl No	Name of the Share holder	No of shares	"% of total shares of the company"	No of shares	"% of total shares of the company"	No of shares	"% of total shares of the company"	FOLIO/DP_CL_ID	PAN
1	ELECTRONICS CORPORATION OF TAMILNADU LTD At the beginning of the year 31-Mar-2014	1040006	26.0001	1040006	26.0001	1040006	26.0001	IN30059710269372	AAACE1670K
	At the end of the Year 31-Mar-2015	1040006	26.0001	1040006	26.0001				
2	STUR TECHNOLOGIES PVT LTD At the beginning of the year 31-Mar-2014	450000	11.2499	450000	11.2499	450000	11.2499	IN30048414280674	AABCN2738A
	At the end of the Year 31-Mar-2015	450000	11.2499	450000	11.2499				
3	SHANMUGHAM THIAGARAJAN At the beginning of the year 31-Mar-2014	369483	9.2370	369483	9.2370	369483	9.2370	1301740000005813	ADPCP5420H
	Sale 25-Jul-2014	-369483	9.2370	0	0.0000	0	0.0000		
	At the end of the Year 31-Mar-2015	0	0.0000	0	0.0000				
4	SOUTHERN PROJECTS MANAGEMENT PVT LTD At the beginning of the year 31-Mar-2014	254371	6.3592	254371	6.3592	254371	6.3592	IN30048413511068	AAKCS9432P
	At the end of the Year 31-Mar-2015	254371	6.3592	254371	6.3592				
5	STUR PROJECTS MANAGEMENT PVT LTD At the beginning of the year 31-Mar-2014	1	0.0000	1	0.0000	1	0.0000	IN30048414288023	AABCN2739B
	At the end of the Year 31-Mar-2015	1	0.0000	1	0.0000				
6	SHANMUGAM THIAGARAJAN . At the beginning of the year 31-Mar-2014	0	0.0000	0	0.0000	0	0.0000	1207760000008109	DZCPS9718F
	Purchase 25-Jul-2014	369483	9.2370	369483	9.2370	369483	9.2370		
	At the end of the Year 31-Mar-2015	369483	9.2370	369483	9.2370				

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)**  
**(iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**  
**Name of the Company : ELNET TECHNOLOGIES LTD**

**Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)**

Sl.No.	Name of the Shareholder	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	ASHOK KUMAR JAIN	40651	1.02	16024	0.40
2	BHAGWANDAS CHANDAK	15000	0.37	10549	0.26
3	CAMEL FOODS PRIVATE LIMITED	0	0.00	1230	0.03
4	CAMEL FOODS PVT LTD.	35379	0.88	35379	0.88
5	DILIP KUMAR RUNGTA	20000	0.50	0	0.00
6	FAIRDEAL INFIN SERVICES PVT.LTD.	0	0.00	21750	0.54
7	GAURAV GARG	15000	0.37	0	0.00
8	KANAMMA SUNDER RAMAN	18000	0.45	18000	0.45
9	KESHAV GARG	11500	0.29	40000	1.00
10	KOTAK SECURITIES LIMITED	12000	0.30	12000	0.30
11	MANOJ DUA	0	0.00	28809	0.72
12	RAJ KARNI DUA	0	0.00	19325	0.48
13	RAJIV GARG	20000	0.50	20000	0.50
14	RAMESH CHAND S	21719	0.54	25734	0.64
15	ROHAN ANIRUDHA SEOLEKAR	22750	0.57	19750	0.49
16	S RAMESH CHAND	200	0.00	0	0.00
17	SANGEETHA S	9351	0.23	46060	1.15
18	SAVITHA S	22588	0.56	22588	0.56
19	SRIRAM SANKARAN	13000	0.32	7105	0.18
20	VALLUR GOPALARAGHAVA SUNDARARAMAN	15924	0.40	15924	0.40

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)**

**(v) Shareholding of Directors and Key Managerial Personnel:**

**Name of the Company : ELNED TECHNOLOGIES LTD**

Sl No	Name of the Share holder	No of shares	"% of total shares of the company"	No of shares	"% of total shares of the company"	FOLIO/DP_CL_ID	PAN
	UNNAMALAI THIAGARAJAN .						
1	At the beginning of the year 31-Mar-2014	500	0.0124	500	0.0124	1301740000123099	ABFPT9557K
	At the end of the Year 31-Mar-2015	500	0.0124	500	0.0124		

**V. INDEBTEDNESS**

**Indebtedness of the Company including interest outstanding / accrued but not due for payment**

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the year</b>				
i) Principal Amount				
a) Shri Shanmugham Thiagarajan		36624742.00		36624742.00
b) Stur Technologies Pvt. Ltd		6009141.00		6009141.00
ii) Interest due but not paid				
ii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>		42633883		42633883
<b>Indebtedness at the end of the year</b>				
i) Principal Amount				
a) Shri Shanmugham Thiagarajan		36624742.00		36624742.00
b) Stur Technologies Pvt. Ltd		6009141.00		6009141.00
ii) Interest due but not paid				
ii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>		42633883		42633883

## TWENTY FOURTH ANNUAL REPORT 2014 - 15

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Total remuneration paid to Tmt. Unnamalai Thiagarajan, Managing Director, during the Financial Year 2014-15 is Rs.14,00,000/-. No other perks and other allowances were paid.

#### B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors	Total Amount (in ₹)
1	Independent Directors • Fee for attending board committee meetings • Commission • Others, please specify	As per annexure A	4,13,000/-
2	Other Non-Executive Directors • Fee for attending board committee meetings • Commission • Others, please specify	As per annexure B	3,22,000/-
	Total (1+2)		7,35,000/-
	Total (A+B) Remuneration		<b>21,35,000/-</b>
	Overall Ceiling as per the Act		<b>84,15,000/-</b>

#### ANNEXURE A

Sl.No.	Name of the Director	Category	Amount (in ₹)
1	Thiru R Ganapathi	Non-Executive Independent Director	84,000.00
2	Thiru H Karthik Seshadri	Non-Executive Independent Director	140,000.00
3	Thiru G. Senrayaperumal	Non-Executive Independent Director	35,000.00
4	Dr.V. Dharmalingam	Non-Executive Independent Director	14,000.00
5	Thiru K. Kasim, IPS (Retd.)	Non-Executive Independent Director	77,000.00
6	Thiru G. Chellakrishna	Non-Executive Independent Director	63,000.00
<b>TOTAL</b>			<b>413,000.00</b>

#### ANNEXURE B

Sl.No.	Name of the Director	Category	Amount
1	Thiru C Ramachandran, IAS, Retd.	Non-Executive Director	98,000.00
2	Thiru J Ravi	Non-Executive Director	105,000.00
3	Thiru R. Sridhar	Non-Executive Nominee Director	28,000.00
4	Thiru Atul Anand, IAS	Non-Executive Nominee Director	7,000.00
5	Thiru K Padmanaban	Non-Executive Nominee Director	84,000.00
<b>TOTAL</b>			<b>322,000.00</b>



**C. (i). REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD :**

(Amount in ₹)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	5,56,550/-	8,02,504/-	13,59,504/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	33,313/-	53,500/-	86,813/-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total</b>		<b>5,89,863/-</b>	<b>8,56,004/-</b>	<b>14,45,867/-</b>

## TWENTY FOURTH ANNUAL REPORT 2014 - 15

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### (ii). Particulars of Remuneration:

The information require under Section 197 of the Act and the Rules made thereunder, in respect of employees of the Company, is as follows :

#### (a) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year

Name of Person	Ratio to Median Remuneration
Tmt. Unnamalai Thiagarajan - Managing Director	3.43

#### (b) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

Name of Person	% Increase in Remuneration
Tmt. Unnamalai Thiagarajan - Managing Director	Nil
Tr. T.K. Karthik - Chief Financial Officer	Not Applicable since joined during the year
Tr. S. LakshmiNarasimhan - Company Secretary	Not Applicable since appointed during the year

#### (c) The percentage increase in the median remuneration of employees in the financial year

13.00%

#### (d) The number of permanent employees on the rolls of company

16

#### (e) The explanation on the relationship between average increase in remuneration and company performance

The increase in remunerations is in line with the market trends

#### (f) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company

Particulars	₹ in Lakhs
Remuneration of Key Managerial Personnel (KMP) during financial year 2014-15 (aggregated)	28.46
Revenue from operations	2147.71
Remuneration (as % of revenue)	1.33%
Profit before tax (PBT)	847.39
Remuneration (as % of PBT)	3.36%

- (g) **Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies**

Particulars	As at 31st Mar 15	As at 31st Mar 14	Variation %
Closing rate of share at BSE ( ₹ )	66.00	38.80	0.70
EPS ( ₹ )	14.07	14.60	(0.04)
Market Capitalization ( ₹ in Lakhs )	2,640.00	1,552.00	0.70
Price Earnings Ratio	4.69	2.66	0.77

- (h) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration**

The average increase in salaries of employees other than managerial personnel in 2014-15 was 13 %. Percentage increase in managerial remuneration for the year was Nil since CFO & Co Secretary joined / appointed during the year and there were no increase in remuneration of the Managing Director.

- (i) **Comparison of each remuneration of the Key Managerial Personnel against the performance of the company**

Particulars	Managing Director	Chief Financial Officer **	Company Secretary
Remuneration ( ₹ in Lakhs )	14.00	8.56	5.89
Revenue ( ₹ in Lakhs )	2147.71	2147.71	2147.71
Remuneration (as % of revenue)	0.65%	0.40%	0.27%
Profits before tax (PBT) ( ₹ in Lakhs)	847.39	847.39	847.39
Remuneration (as % of PBT)	1.65%	1.01%	0.70%

\* CFO joined w.e.f. from 1st August 2014.

- (j) **The key parameters for any variable component of remuneration availed by the directors;**

Not applicable

- (k) **The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;**

35.19%

- (l) **Affirmation that the remuneration is as per the remuneration policy of the company.**

The Company affirms remuneration is as per the remuneration policy of the Company.

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### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

## **DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS**

The Board of Directors  
M/s Elnet Technologies Limited

Dear Sir,

I undertake to comply with the conditions laid down in Sub-clause of Clause 49 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

(a) I declare that upto the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.

(b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.

(c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:

(i) the statutory audit firm or the internal audit firm that is associated with the Company and

(ii) the legal firm(s) and consulting firm(s) that have a material association with the company

(d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You,

Date : 31.03.2015

Place : Chennai

Yours Faithfully,

- 1) R. Ganapathi
- 2) H. Karthik Seshadri
- 3) G. Senrayaperumal
- 4) Dr.V. Dharamalingam
- 5) K. Kasim, IPS (Retd.)
- 6) G. Chellakrishnan

## TWENTY FOURTH ANNUAL REPORT 2014 - 15

### DISCLOSURE REPORT ON CSR ACTIVITIES

As per the Companies Act, 2013, Elnet has introduced the concept of Corporate Social Responsibility (hereinafter referred as CSR) whereby it is mandatory to spend atleast 2% of average net profits of the immediately preceding 3 financial years on “CSR” activities.

CSR involves incurring costs that do not provide an immediate financial benefit to the Corporates, but instead promote positive social and environmental change. In line with the above, Elnet’s CSR policy is designed keeping in mind the vision, mission, socio economic environment and capacities of the company. The policy on CSR can be viewed in [www.elnettechnologies.com](http://www.elnettechnologies.com) .

The Composition of the CSR Committee is as mentioned below:

Sl.No.	Name and Designation	Category
1)	Thiru J.Ravi	Chairman, Non-Executive Director
2)	Thiru H. Karthik Seshadri	Member, Non-Executive Independent Director
3)	Thiru K. Padmanaban	Member, Non-Executive Director

Average net profit of the company for last three financial years : ₹ 767.38 Lakhs

Prescribed CSR Expenditure (two per cent. of the amount as in : ₹15.35 Lakhs

Details of CSR spent during the financial year : ₹15.35 Lakhs

Total amount to be spent for the financial year: ₹15.35 Lakhs

Amount unspent, if any; - NIL

Manner in which the amount spent during the financial year is detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs (1)Local area or other  (2)Specify the State and District where projects or program was undertaken	Amount outlay (budget) project or programwise	Amount spent on the Projects or Programs Sub-Heads: (1)Direct Expenditure on projects or programs (2)Overheads	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
1	Swachh Bharat Kosh	Swachh Bharat Kosh	NA	₹ 15,35,000/-	₹ 15,35,000/-	NA	NA
	TOTAL			₹ 15,35,000/-	₹ 15,35,000/-		

Unnamalai Thiagarajan Managing Director	J. Ravi (Chairman CSR Committee)
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## FORM NO. AOC.2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

Details of material contracts or arrangement or transactions at arm's length basis

<b>I. Name of the related party</b>	<b>Electronics Corporation of Tamil Nadu Ltd (ELCOT)</b>
Description of the relationship between the parties	Joint venture partner holding 26% Equity capital of the company
Description of the nature of transaction	Lease of land presently occupied by the Company. 1. Land Lease Rentals. 2. Web hosting charges. 3. Sitting fees.
Volume of transactions	1. ₹1/- towards lease rent. (2014: ₹1/-) 2. Web hosting charges ₹8,427/-. (2014 : ₹ 8,427/-) 3. Sitting fees ₹119,000. (2014: ₹ 77,000)
Any other element of the transaction necessary for understanding the transaction	Nil
Amount outstanding at the balance sheet date	₹11,03,25,257 (2014: ₹11,03,25,257)
Amount written back during the year	Nil

<b>II Name of the related party</b>	<b>Elnet Software City Limited</b>
Description of the relationship between the parties	Subsidiary Company
Description of the nature of transaction	Investment in equity shares
Volume of transactions	NIL
Any other element of the transaction necessary for understanding the transaction	None
Amount outstanding at the balance sheet date	NIL
Amount written back during the year	NIL

<b>III Name of the related party</b>	<b>IG3 Infra Ltd (Formerly Indian Green Grid Group Ltd)</b>
Description of the relationship between the parties	A company in which Managing Director is also the Managing Director
Description of the nature of transaction	Investment in equity shares
Volume of transactions	Nil (2014: Nil )
Any other element of the transaction necessary for understanding the transaction	None
Amount outstanding at the balance sheet date	NIL
Amount written back during the year	NIL

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<b>IV Name of the related party</b>	<b>Stur Technologies Pvt Ltd., (Formerly New Era Technologies Pvt Ltd)</b>
Description of the relationship between the parties	Promoter
Description of the nature of transaction	(a) The unsecured loan from the company to the tune of ₹ 60,09,141/- continues to exist. (b) Interest of ₹1,46,503/- payable on FD made out of disputed dividend for the years 2000-01 and 2001-02
Volume of transactions	NIL
Any other element of the transaction necessary for understanding the transaction	None
Amount outstanding at the balance sheet date	(a) ₹60,09,141/- (2014: ₹ 60,09,141/-) (b) ₹1,46,503/- (2014: ₹1,46,503)
Amount written back during the year	NIL

<b>V Name of the related party</b>	<b>Shri. Shanmugham Thiagarajan (Formerly Shri Thiagaraj S Chettiar)</b>
Description of the relationship between the parties	Spouse of Managing Director
Description of the nature of transaction	Unsecured Loan of ₹ 3,66,24,742/- (2014: ₹ 3,66,24,742/-)
Volume of transactions	NIL
Any other element of the transaction necessary for understanding the transaction	None
Amount outstanding at the balance sheet date	₹ 3,66,24,742/- (2014: ₹ 3,66,24,742)
Amount written back during the year	NIL

### KEY MANAGEMENT PERSONNEL

<b>VI Name of the related party</b>	<b>Mrs. Unnamalai Thiagarajan</b>
Description of the relationship between the parties	Managing Director of the Company
Description of the nature of transaction	Remuneration
Volume of transactions	₹ 14,00,000/- (2014: ₹ 14,00,000)
Any other element of the transaction necessary for understanding the transaction	NIL
Amount outstanding at the balance sheet date	NIL
Amount written back during the year	NIL



## **PRACTISING COMPANY SECRETARY'S REPORT ON CORPORATE GOVERNANCE**

### **TO THE MEMBERS**

We have examined the compliance of conditions of Corporate Governance by Elnet Technologies Limited for the year ended March 31, 2015 as stipulated in Clause 49 of the Listing Agreement of the said company with the stock exchange.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied in general with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

Place : Chennai  
Date : 22.05.2015

For M/s. S. Bhaskar  
Practising Company Secretary  
Membership No.10798  
COP : 8315

## **TWENTY FOURTH ANNUAL REPORT 2014 - 15**

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### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

#### **INDUSTRY STRUCTURE AND DEVELOPMENTS**

Your company is engaged in providing infrastructure to Software and Business Process Outsourcing Industries. The growth and progress of the company depends directly on the prospects of Software and BPO Industry. In the opinion of the Directors, the growth in the Software and BPO Industry is fairly good and the demand for space is expected to grow.

#### **OPPORTUNITIES, THREATS, RISKS AND CONCERNS**

The consistent growth in the Software and BPO sector and turn around in Software and BPO industry are an opportunity while creation of large-scale commercial space which may create pressure on the rate per sq. ft. as well as occupancy are certain areas of concern.

#### **SEGMENTWISE / PRODUCTWISE PERFORMANCE**

Segment wise / product wise performance is not applicable to your company since it is uni-product Company.

#### **INTERNAL CONTROL SYSTEM AND ADEQUACY**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined in the Internal Audit Manual. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board & to the Chairman & Managing Director. The Internal Audit process monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board..

The Audit Committee of the Board of Directors also meets regularly to review the reports of the Internal Auditors and providing guidance.

#### **MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT**

There were no material developments in relation to Human Resources / Industrial Relations in your Company as the Company has minimum employee strength. The Company has on its Roll 16 employees and the rest of the operations are carried through outsourcing.

#### **FINANCIAL PERFORMANCE**

The financial performance of the Company is given separately in the Directors' Report.

#### **CAUTIONARY STATEMENT**

The above statements are as perceived by the directors based on the current scenario and the input available. Any extraneous developments and force majeure conditions may have an impact on the above perceptions.

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
ELNET TECHNOLOGIES LIMITED  
TS 140,BLOCK 2 & 9, RAJIV GANDHI SALAI,  
TARAMANI, Chennai - 600113

I, S.Bhaskar, Company Secretary in Practice, have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ELNET TECHNOLOGIES LIMITED (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my/our verification of the ELNET TECHNOLOGIES LIMITED books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by ELNET TECHNOLOGIES LIMITED for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

## TWENTY FOURTH ANNUAL REPORT 2014 - 15

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- d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
- (vi) The Employees Provident Funds And Miscellaneous Provisions Act, 1952.
- (vii) Payment of Gratuity Act, 1972
- (viii) Sexual Harassment of women at workplace (prevention, prohibition and redressal) act, 2013.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
  - (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange;
- During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to following observations: NIL

During the period under review there were no events which required specific compliance of the provisions of

- (i) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (ii) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (iii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (iv) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place : Chennai  
Date : 22.05.2015

S. Bhaskar  
M. No: 10798  
COP No.: 8315

## **REPORT ON CORPORATE GOVERNANCE**

### **CORPORATE GOVERNANCE PHILOSOPHY**

The Company perceives Corporate Governance as an endeavor for transparency and a whole hearted approach towards establishing professional management aimed at continuous enhancement of shareholder's value.

The Company recognizes that good corporate governance is essential to build and retain the confidence of its stakeholders, its creditors, customers, suppliers and employees. Its policy has been to enhance the long-term interest of the shareholders. It believes that effective Corporate Governance is an essential component of a successful entrepreneur in a globalised economy. To this end, the Company's philosophy on Corporate Governance is to endeavor to ensure

- that system and procedures which monitor compliance with laws, rules and regulations are in place in each area of its business
- that relevant information regarding the company and its operations is disclosed, disseminated and easily available to its stakeholders and
- that the Board of Directors is kept fully informed of all material developments in the Company, the risks in its business and its operation, and the rationale for management decision and recommendation so that the Board of Directors can effectively discharge its responsibilities to the shareholders.
- As a part of "Green initiative" in Corporate Governance, Ministry of Corporate Affairs(MCA) vide Circular No.18/2011 dated 29.04.2011 has permitted paperless compliance by recognizing communications through electronic mode to shareholder under the Companies Act, 2013. Accordingly, the company has made arrangement to send request letters for getting the e-mail address to enable the company to circulate the Annual accounts and other communication through e-mail.

### **1. BOARD OF DIRECTORS**

#### **a) Composition**

The Board consists of Twelve Directors as on 31st March 2015. The composition of the Board is in conformity with Clause 49 of the listing agreement. The day-to-day management of the company is carried on by Tmt.Unnamalai Thiagarajan, Managing Director of the company, which also satisfies, the amended provisions of clause 49 of the listing agreement, being the Woman Director of the company, .

All independent directors possess the requisite qualifications and are very experienced in their own fields. All Directors except the Chairman, Managing director, Independent Directors and nominee directors of M/s. Electronic Corporation of Tamil Nadu Limited are liable to retire by rotation. None of the Directors on the Company's Board is a member on more than ten committees and chairman of more than five committees in public limited companies in which they are directors. Necessary disclosures have been obtained from all the directors regarding their directorship as at 31.03.2015 have been taken on record by the Board.

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The Board also reviews the declarations made by the management regarding compliance with the applicable laws on a quarterly basis as also the Board Minutes of its subsidiary company. The details about the composition of the Board of Directors as also the number of other directorships, memberships/chairmanship in committees across various companies of which the Director is a member/chairman, their attendance at the Board meetings held during the financial year under review and at the last Annual General Meeting are furnished hereunder.

The names of the Directors and the details of other chairmanship / directorship / committee membership of each Director as on 31st March 2015 is given below:

Sr. No.	Name of the Director & Category	No. of Directorship / Chairmanship in other public companies		No. of Membership / Chairmanship in other Companies Board Committee	
		Chairman	Director	Chairman	Member
1	Thiru Atul Anand IAS, Non-Executive Chairman	1	7	-	2
2	Tmt.Unnamalai Thiagarajan, Managing Director	-	2	-	-
3	Thiru C Ramachandran, IAS, Retd., Non-Executive Director	1	6	4	5
4	Thiru J.Ravi, Non-Executive Director	-	-	-	-
5	Thiru R Ganapathi, Non-Executive Independent Director	-	5	-	2
6	Thiru H Karthik Seshadri, Non-Executive Independent Director	-	1	-	-
7	Thiru K.Padmanaban, Non-Executive Director	-	-	-	-
8	Thiru G.Senrayaperumal, Non-Executive Independent Director	-	-	-	-
9	Dr. V. Dharmalingam, Non-Executive Independent Director	-	2	-	2
10	Thiru K.Kasim, IPS (Retd.) Non- Executive Independent Director	-	1	-	1
11	Thiru G.Chellakrishna Non-Executive Independent Director	-	3	1	-
12	Thiru.R.Sridhar Non-Executive Director	-	-	-	-

## Notes:

- a. Other directorships exclude foreign companies, private limited companies and alternate directorships.
- b. Only memberships in Audit Committee and Stakeholders' Relationship Committee have been reckoned for other committee memberships.

### **B) BOARD MEETINGS AND ATTENDANCE AT BOARD MEETINGS**

The Board met Six times during the financial year 2014-2015. The Board of Directors of the Company had met not exceeding with a maximum time gap of one hundred and twenty days. The Board meets atleast once a quarter and interval between two meetings was not more than four months. The Board procedures had been duly complied in accordance with the applicable provisions of Companies Act, 2013 and Listing agreement.

The company places before the Board all those details as required under Annexure X to the listing agreement. The dates for the board meetings are fixed after taking into account the convenience of all the directors and sufficient notice is given to them. Detailed agenda notes are sent to the directors. All the information required for decision making are incorporated in the agenda. The Managing Director appraises the Board on the overall performance of the company at every board meeting. Legal issues, write-offs, provisions, purchase and disposal of capital assets are all brought to the notice of the Board. The Board reviews performance, approves capital expenditures, sets the strategy the company should follow and ensures financial stability. The Board takes on record the actions taken by the company on all its decisions periodically.

The Board also takes on record the declaration made by the company secretary, chairman and managing director and the chief financial officer regarding compliances of all laws on a quarterly basis.

### **C) DISCLOSURE OF RELATIONSHIP BETWEEN DIRECTOR'S INTER-SE:**

Not applicable

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### D) ATTENDANCE OF EACH DIRECTOR AT BOARD MEETINGS AND AT THE PREVIOUS ANNUAL GENERAL MEETING (AGM)

S I . No.	Name of the Director	FY 2014-15 Attendance at		
		Board Meetings		Last AGM
		Attended	No. of meetings held during their tenure	
1.	Thiru Atul Anand IAS	1	6	Absent
2.	Tmt. Unnamalai Thiagarajan	5	6	Present
3.	Thiru C. Ramachandran, IAS, (Retd.)	6	6	Present
4.	Thiru J. Ravi	6	6	Present
5.	Thiru R. Ganapathi	3	6	Absent
6.	Thiru H. Karthik Seshadri	4	6	Present
7.	Thiru K. Padmanaban	6	6	Present
8.	Dr. V. Dharmalingam	1	6	Absent
9.	Thiru G. Senrayaperumal	4	6	Absent
10.	Thiru K. Kasim, IPS (Retd.)	5	6	Present
11.	Thiru G. Chellakrishna	4	6	Present
12.	Thiru.R. Sridhar	3	6	Present

## 2. AUDIT COMMITTEE

The audit committee assists the board in the dissemination of financial information and in overseeing the financial and accounting processes in the company. The terms of reference of the audit committee covers all matters specified in clause 49 of the listing agreement and also those specified in section 177 of the Companies Act 2013. The terms of reference broadly include review of internal audit reports and action taken reports, assessment of the efficacy of the internal control systems/ financial reporting systems and reviewing the adequacy of the financial policies and practices followed by the company. The audit committee reviews the compliance with legal and statutory requirements, the quarterly and annual financial statements and related party transactions and reports its findings to the Board. The committee also recommends the appointment of internal auditor, statutory auditor and secretarial auditor. The audit committee takes note of any default in the payments to creditors and shareholders. The committee also looks into those matters specifically referred to it by the Board. The statutory auditors were present at all audit committee meetings.



The audit committee comprised of the following directors for the year ended 31st March 2015:

S.no	Name	Position	Category
1.	Tr G. Chellakrishna	Chairman	Non-Executive Independent Director
2.	Tr. C Ramachandran, IAS (Retd.)	Member	Non-Executive Director
3.	Tr. R Ganapathi	Member	Non-Executive Independent Director
4.	Tr. H Karthik Seshadri	Member	Non-Executive Independent Director
5.	Tr.K. Padmanaban	Member	Non-Executive Director
6.	Tr. K. Kasim, IPS (Retd.)	Member	Non-Executive Independent Director

As on 31st March 2015 the committee comprised of four independent directors and two Non-Executive Directors.. All are financially literate and have relevant finance / audit exposure. The Chief Financial Officer is a permanent invitee to the meetings of the committee. The other directors are invited to attend the audit committee meetings as and when required. The Company Secretary acts as the secretary to the committee. The composition of the audit committee is as per the amended clause 49 of the listing agreement. Chairman of the Audit Committee was present at the previous Annual General Meeting of the company held on 17th July 2014. The audit committee met Four times during the year on 19.05.2014, 30.07.2014, 30.10.2014 & 30.01.2015. The details are as follows:

#### **Attendance of each Director at Audit Committee Meetings**

Sl. No.	Name of the Member	No. of Audit Committee Meetings Attended	No. of Audit Committee Meetings during their tenure
1.	Thiru G. Chellakrishna - Chairman	4	4
2.	Thiru C. Ramachandran, IAS (Retd.) – Member	3	4
3.	Thiru R. Ganapathi – Member	3	4
4.	Thiru H. Karthik Seshadri – Member	3	4
5.	Thiru. K. Padmanaban – Member	4	4
6.	Thiru K. Kasim, IPS (Retd.) – Member	4	4

#### **The broad terms of reference of the Audit Committee are as follows**

Role:

- Review of the Company's financial reporting process and the disclosure of its financial information
- Reviewing with management, the annual financial statements before submission to the Board, focussing primarily on (i) any change in accounting policies and practices,

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(ii) major accounting entries based on exercise of judgement by management, (iii) qualifications in draft audit report, (iv) significant adjustments arising out of audit, (v) the going concern assumption, (vi) compliance with accounting standards, (vii) compliance with the Listing requirements of the Stock Exchange and legal requirements concerning financial statements and (viii) any related party transactions i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of company at large.

- Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit functions.
- Discussion with external auditors before the audit commences, nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing the company's various financial and risk management policies and practices.

### 3. NOMINATION AND REMUNERATION COMMITTEE

The remuneration committee was named and reconstituted as Nomination and remuneration committee at its board meeting held on 30.05.2014.

The terms of reference of the committee are as follows:

- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- The remuneration policy as adopted by the company envisages payment of remuneration according to qualification, experience and performance at different levels of the organization.
- During the period under review, no remuneration was paid to any director at present except Managing Director .
- Appointment of the directors, and key managerial personnel of the Company; and
- Fixation of the remuneration of the directors, key managerial personnel and other employees of the Company.

#### Composition of committee and attendance of members

Si.No.	Name of Director and position	Meeting/ Attendance (30.05.2014)
1	Thiru.R.Ganapathi-Chairman	Present
2	Thiru C.Ramachandran, IAS (Retd.)–Member	Present
3	Thiru H.KarthikSeshadri – Member	Absent

This committee recommends the appointment/reappointment of executive directors along with the remuneration to be paid to them. The remuneration is fixed keeping in mind the person's track record, his/her potential individual performance, the market trends and scales prevailing in the similar industry. The Remuneration Committee comprises of non-executive and independent directors. The Company Secretary is the secretary to the committee. During the financial year 2014-2015, the committee met on 30.05.2014. The Policy on Nomination and Remuneration has been laid down by the company.

#### **CRITERIA FOR MAKING PAYMENTS TO NON- EXECUTIVE DIRECTORS:**

The Company has created and laid down the criteria for making payments to the Non-Executive Directors as enumerated in the Nomination and Remuneration policy

#### **Details of Sitting Fees paid to Non-Executive Directors during the financial year 2014-2015 :**

**(Amount in ₹)**

Name of the Directors	Board Meeting	Audit Committee Meeting	Nomination and Remuneration and Special Committee Meeting	Stakeholder Relationship Committee Meeting	Share Transfer Committee Meeting	Meeting of Independent Directors	CSR	Total
Thiru Atul Anand, IAS	7000	NA	NA	NA	NA	NA	NA	7000
Thiru K Padmanaban	42000	28000	NA	NA	NA	NA	14000	84000
Thiru R. Sridhar	21000	NA	7000	NA	NA	NA	NA	28000
Thiru G. Chellakrishna	28000	28000	NA	NA	NA	7000	NA	63000
Dr.V.Dharmalingam	7000	NA	NA	NA	NA	7000	NA	14000
Thiru R Ganapathi	21000	21000	14000	21000	NA	7000	NA	84000
Thiru C Ramachandran, IAS, (Retd.)	42000	21000	7000	28000	NA	NA	NA	98000
Thiru J Ravi	42000	NA	NA	NA	49000	NA	14000	105000
Thiru H Karthik Seshadri	28000	21000	NA	21000	49000	7000	14000	140000
Thiru G. Senrayaperumal	28000	NA	NA	NA	NA	7000	NA	35000
Thiru K. Kasim, IPS (Retd.)	35000	28000	7000	NA	NA	7000	NA	77000

There were no other pecuniary relationships or transactions of the non-executive directors' vis-à-vis the company during the Financial Year ended 31st March, 2015.

#### **REMUNERATION PAID TO DIRECTORS**

Of the total twelve directors, Tmt. Unnamalai Thiagarajan, is the Managing Director. The remuneration paid to the director has been already determined by the Board on the recommendation of the remuneration committee. Also the same was approved at the 23rd Annual General Meeting of the company.

Total remuneration paid to Tmt. Unnamalai Thiagarajan, Managing Director, during the Financial Year 2014-15 is Rs.14,00,000/-. No other perks and other allowances were paid.

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### PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the performance of all the Directors have been evaluated by the Board periodically at its various meetings as to their contribution for the betterment and progress of the Company. The board also, carried out annual performance evaluation of the working of its Audit, Nomination and Remuneration as well as stakeholder relationship committee. The Directors expressed their satisfaction with the evaluation process.

#### 4. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

Thiru C. Ramachandran, IAS (Retd.), Non-Executive Director is the Chairman of the committee. Thiru.R. Ganapathi and Thiru H. Karthik Seshadri are the other members of the committee.

The committee decided that a Share Transfer committee be constituted with Thiru J. Ravi and Thiru H. Karthik Seshadri, as members to approve share transfer, transmissions, issue of duplicate share certificates, dematerialization of shares etc. The actions of share transfer committee are being placed at its subsequent Board meetings.

The committee met regularly to approve share transfers, transmissions, issue of duplicate share certificates, rematerialisation of shares and all other issues pertaining to shares and also to redress investor grievances like non receipt of dividend warrants, non receipt of share certificates, etc. The committee regularly reviews the movement in shareholding and ownership structure. The committee also reviews the performance of the Registrar and Share Transfer Agents. The committee met four times during the year 2014-2015. The committee approved the transfer of 800 shares in physical form.

#### Complaints received and redressed during the year 2014-2015 :

S.No.	Nature of Complaints	Number of Complaints
1	Revalidation of dividend warrant	44
2	Issue of duplicate share certificate	6
3	Procedure for transfer & transmission	2
4	General queries	6
5	Change of address	4
	<b>TOTAL</b>	<b>62</b>

SEBI vide Circular Ref: CIR/OIAE/2/2011 dated June 3, 2011 informed the company that they had commenced processing of investor complaints in a web based complaints redress system "SCORES". Under this system, all complaints pertaining to companies are electronically sent through SCORES and the companies are required to view the complaints pending against them and submit Action Taken Report (ATRs) along with supporting documents electronically in SCORES.

All the requests and complaints received from the shareholders were attended to within the stipulated time and nothing was pending for disposal at the end of the year. Thiru. S. Lakshmi Narasimhan , Company Secretary is the compliance officer of the company. For any clarification / complaint the shareholders may contact Thiru.S. Lakshmi Narasimhan, Company Secretary at the registered office of the company.

#### **5. Share Transfer Committee:**

Share Transfer Committee deals with all matters pertaining to transfers, transmission, and transposition etc. of equity shares of the Company. The Committee was reconstituted on 12.03.2008. The members of the said Committee are

Sl.No.	Name and designation	Category
1	Tr. J. Ravi, Member	Non-Executive Director
2	Tr. H. Karthik Seshadri, Member	Non-Executive Independent Director

The meetings are held regularly. Transfer of shares are processed and registered within the stipulated time, provided all the documents are valid and complete in all respects. As on 31st March, 2015, there were no share transfers pending for registration for more than 30 days.

#### **6. PURCHASE COMMITTEE**

Purchase Committee of Directors was constituted on 25.10.2006 under the directions of the Board. It is empowered to identify the qualified vendors for taking advantage of competitive pricing. During the year under review, no meetings were held as it was not necessitated. The Composition of the Committee is given hereunder

Sl. No.	Name & Position	Category
1	Thiru R. Ganapathi, Member	Non-Executive Independent Director
2	Thiru H. Karthik Seshadri, Member	Non-Executive Independent Director

#### **7. MEETING OF INDEPENDENT DIRECTORS:**

The Independent Directors of the Company had met during the year on 30.01.2015 to review the performance of non- Independent Directors and the Board as a whole, reviewed the performance of the Chairperson of the Company and had assessed the quality, quantity and timeliness of flow of information between the company management and the Board.

#### **8. ANNUAL GENERAL MEETINGS AND EXTRAORDINARY GENERAL MEETING**

The details of the Annual General Meetings / Extraordinary General Meeting held in the last three years are as follows:

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Annual General Meetings of the Company :

Venue	Financial Year	Date & Time
New Woodlands Hotel Pvt. Ltd., Chennai	2011-2012	22nd June 2012 at 10.00 AM
New Woodlands Hotel Pvt. Ltd., Chennai	2012-2013	20th June 2013 at 11.00 AM
New Woodlands Hotel Pvt. Ltd., Chennai	2013-2014	17th July 2014 at 11.00 AM

The details of special resolutions passed in AGM in the last 3 years are as follows:

AGM	Subject
21st AGM	Statutory Auditor appointment
22nd AGM	Statutory Auditor appointment
23rd AGM	Statutory Auditor appointment

No Extraordinary General Meeting was conducted during financial year 2014 - 2015.

### **E-Voting/Poll:**

The details of special resolutions passed through E-Voting/Poll in AGM in the last 3 years are as follows:

AGM	Subject
21st AGM	Not applicable
22nd AGM	Not applicable
23rd AGM	Statutory Auditor appointment

### **9. SUBSIDIARY COMPANIES**

The financials of the subsidiary companies viz., M/s Elnet Software City Limited have been duly reviewed by the audit committee and the Board of the holding company. The board minutes of the unlisted subsidiary companies have been placed before the Board of the holding company. The holding company's Board is also periodically informed about all significant transactions and arrangements entered into by the subsidiary companies, if any.

### **10. RISK MANAGEMENT**

Periodic assessments to identify the risk areas are carried out and management is briefed on the risks in advance to enable the company to control risk through a properly defined plan. The risks are classified as financial risks, operational risks and market risks. The risks are taken into account while preparing the annual business plan for the year. The Board is also periodically informed of the business risks and the actions taken to manage them.

The Company has formulated a policy for Risk management with the following objectives:

- Provide an overview of the principles of risk management
- Explain approach adopted by the Company for risk management

- Define the organizational structure for effective risk management
- Develop a “risk” culture that encourages all employees to identify risks and associated opportunities and to respond to them with effective actions.
- Identify, assess and manage existing and new risks in a planned and coordinated manner with minimum disruption and cost, to protect and preserve Company’s human, physical and financial assets.

### **11. WHISTLE BLOWER POLICY**

The company has an established mechanism for Directors / Employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of the code of conduct or ethics policy. It also provides for adequate safeguards against victimization of directors/ employees who avail of the mechanism. The company affirms that no personnel has been denied access to the audit committee. The Company has formulated a Policy of Vigil Mechanism and has established a mechanism that any personnel may raise Reportable Matters within 60 days after becoming aware of the same. All suspected violations and Reportable Matters are reported to the Chairman of the Audit Committee at e-mail id elnet@md4.vsnl.net.in. The key directions/actions will be informed to the Managing Director of the Company.

### **12. DISCLOSURES - RELATED PARTY TRANSACTION:**

There have been no materially significant related party transactions with the company’s promoters, directors, the management, their subsidiaries or relatives which may have potential conflict with the interests of the company at large. The necessary disclosures regarding the transactions are given in the notes to accounts. The Company has also formulated a policy on dealing with the Related Party Transactions and necessary approval of the audit committee and Board of directors are taken wherever required in accordance with the Policy.

None of the transactions with any of the related parties were in conflict with the interests of the company. A statement of related party transaction is furnished under Item No. 3.3 of Schedule 22 relating to Notes on Accounts Schedule

### **DISCLOSURES**

- 1) Details of non-compliance by the Company, Penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter to capital markets, during the last three years. – No such instances.
- 2) Whistle Blower Policy and affirmation that no personnel has been denied access to the Audit Committee. The Company has established Vigil Mechanism as per the Section 177(9) of the Companies Act, 2013.

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- 3) Details of Compliance with Mandatory requirements and adoption of the non- mandatory requirements of this clause.
- 4) In preparation of the financial statements, the company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India. The significant accounting policies which are consistently applied have been set out in the Notes to the Accounts.
- 5) During the financial year 2014-15 the company had no pecuniary relationship with any of the non-executive directors (other than payment of sitting fees as set out above.)

Also, the Company has duly complied with all the requirements.

Non-mandatory requirements is furnished separately under the heading 'Non-Mandatory Requirements'

Details of RPT in form AOC 2 attached to Board Report as a part of Annexure

### **13. ACCOUNTING TREATMENT:**

Necessary disclosures regarding accounting policy and treatment are furnished in notes on Accounts (schedule 22)

### **14. COMPLIANCES:**

There have been no instances of non-compliance by the company on any matters related to the capital markets, nor have any penalty/strictures been imposed on the company by the Stock Exchanges or SEBI or any other statutory authority on such matters.

### **15. MEANS OF COMMUNICATION**

- a. The unaudited quarterly results of the company are published in leading newspapers such as Financial Express, Business line, Makkal Kural and Malai Sudar. These are not sent individually to the shareholders.
- b. The company's website address is: [www.elnettechnologies.com](http://www.elnettechnologies.com). The website contains basic information about the company and such other details as required under the listing agreement. The company ensures periodical updation of its website. The company has designated the email-id [elnet@md4.vsnl.net.in](mailto:elnet@md4.vsnl.net.in) to enable the shareholders to register their grievances.
- c. Pursuant to the listing agreement, all data related to quarterly financial results, shareholding pattern, etc., are filed within the time frame prescribed in this regard.
- d. No presentations have been made to institutional investors or to analysts.



## 16. CODE OF CONDUCT FOR THE BOARD OF DIRECTORS AND THE SENIOR MANAGEMENT

The standards for business conduct provide that the directors and the senior management will uphold ethical values and legal standards as the company pursues its objectives, and that honesty and personal integrity will not be compromised under any circumstances. A copy of the said code of conduct is available on the website [www.elnettechnologies.com](http://www.elnettechnologies.com). As provided under clause 49 of the listing agreement with the stock exchanges, the Board members and senior management personnel have affirmed compliance with the code of conduct for the financial year 2014-2015.

## 17. GENERAL SHAREHOLDER INFORMATION

### a) Annual General Meeting :

Date and time:	8th July 2015 at 11.00 A.M
Venue :	New Woodlands Hotel Pvt. Ltd., No.72-75, Dr.Radhakrishnan Salai, Mylapore, Chennai 600 004
Book Closure Date :	01st July 2015 to 08th July 2015 (both days inclusive)
Financial Year:	1st April 2014 to 31st March 2015

### b) Financial Calendar 2015-2016 (tentative)

Financial Results for the quarter ending June 30, 2015	Last week of July 2015
Financial Results for the quarter ending September 30,2015	Last week of Oct 2015
Financial Results for the quarter ending December 31,2015	Last week of Jan 2016
Financial Results for the quarter ending March 31,2016	During July 2016

### c) Particulars of Dividend for the year ended 31.03.2015

Date of declaration	8th July 2015
Rate of dividend	14%
Book Closure Date	1st July 2015 to 8th July 2015
Date of payment of dividend	Dividend will be paid on or after 9th July 2015 but before 7th August 2015
Amount of dividend paid	₹ 1.40 per equity share of face value of ₹ 10/- Each

### d) Listing of Shares

Name of the Stock Exchange: Bombay Stock Exchange (BSE)
Stock code : 517477

During the year under review, your Company's Shares were de-listed in Madras Stock Exchange Limited due to voluntary closure of the exchange's operations.

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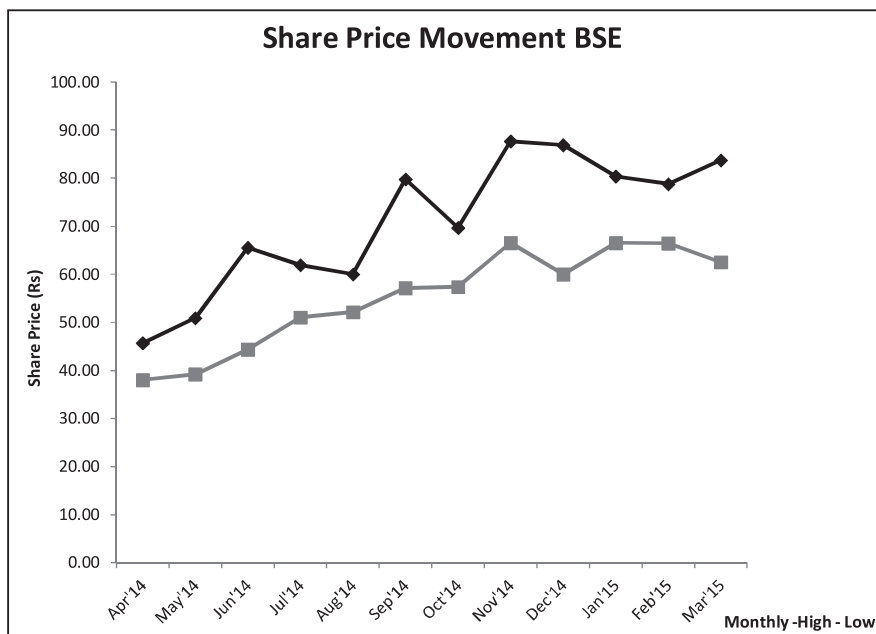
The ISN Number allotted to the company for the Demat of shares are as under

NSDL : INE033C01019

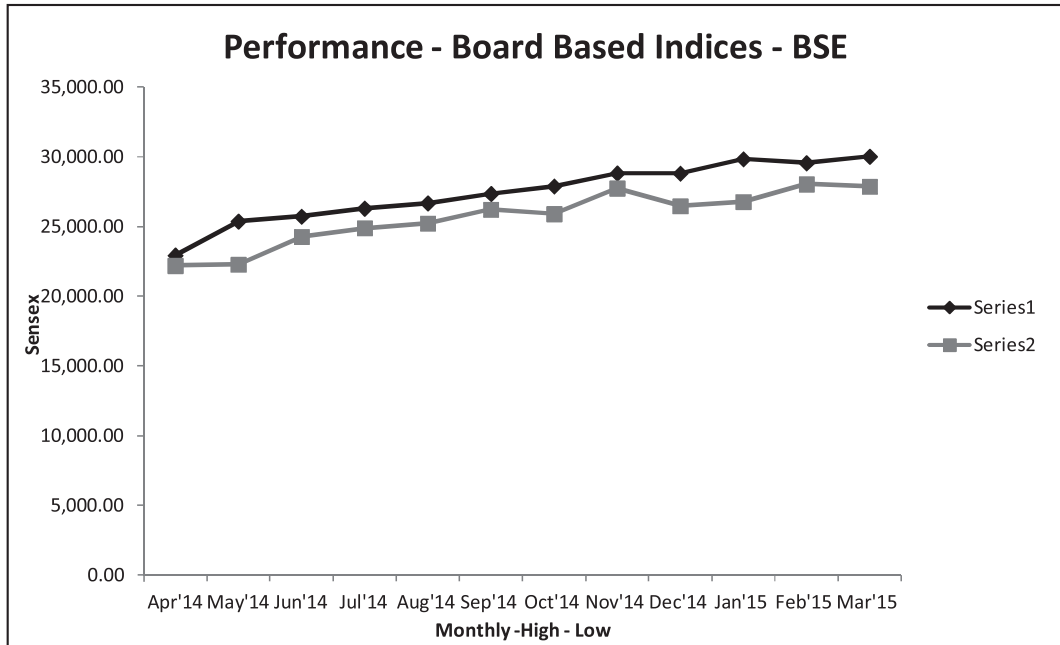
CDSL : INE033C01613

(Note: Annual Listing fees for the year 2015-16 were duly paid to the above stock exchange)

### e) Stock Market Data - Bombay Stock Exchange Limited.



Month	Month's High Price Rs	Month's Low Price Rs	Total volume of shares transacted
APR 2014	45.70	38.00	24588
MAY 2014	50.90	39.2	75977
JUN 2014	65.55	44.35	225224
JUL 2014	61.95	51.05	71089
AUG 2014	60.00	52.15	41043
SEP 2014	79.80	57.15	207374
OCT 2014	69.70	57.40	116099
NOV 2014	87.70	66.55	267718
DEC 2014	86.90	60.00	214597
JAN 2015	80.40	66.55	77194
FEB 2015	78.80	66.45	207141
MAR 2015	83.75	62.55	69022



Month	High	Low
Apr'14	22,939.31	22,197.51
May'14	25,375.63	22,277.04
Jun'14	25,725.12	24,270.20
Jul'14	26,300.17	24,892.00
Aug'14	26,674.38	25,232.82
Sep'14	27,354.99	26,220.49
Oct'14	27,894.32	25,910.77
Nov'14	28,822.37	27,739.56
Dec'14	28,809.64	26,469.42
Jan'15	29,844.16	26,776.12
Feb'15	29,560.32	28,044.49
Mar'15	30,024.74	27,868.21

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### f) Shareholding Pattern as on 31st March 2015

PARTICULARS	NO. OF SHARE HOLDERS	SHARES HELD IN PHYSICAL FORM	SHARES HELD IN DEMATERIALIZED	TOTAL NO. OF SHARES	% OF CAPITAL
PROMOTER AND					
PROMOTER GROUP					
a. BODIES CORPORATE	4		1744378	1744378	43.61
b. DIRECTORS AND	1		369483	369483	9.24
THEIR RELATIVES					
PUBLIC INSTITUTIONS					
a. MUTUAL FUNDS/UTI	-	-	-	-	-
b. FINANCIAL INSTITUTIONS/BANKS	-	-	-	-	-
c. INSURANCE COMPANIES	-	-	-	-	-
d. FOREIGN INSTITUTIONAL INVESTORS	-	-	-	-	-
e. CLEARING MEMBER	6	-	1430	1430	0.04
II. NON-INSTITUTIONS					
a. BODIES CORPORATE	117	9900	113980	123880	3.10
b. INDIVIDUALS	6009	242472	1496401	1738873	43.47
c. NON-RESIDENT INDIANS	25		21963	21963	0.55
TOTAL	6162	252372	3747635	4000007	100

### g) Distribution of Shareholding as on 31st March 2015

Number of Equity Shares held	Number of Share holders	Number of Shares	% of Capital
Upto 500	5707	740160	18.50
501-1000	220	180462	4.51
1001-2000	110	166229	4.16
2001-3000	43	109218	2.73
3001-4000	30	105014	2.63
4001-5000	16	76267	1.91
5001-10000	16	136354	3.41
10001 AND ABOVE	20	2486303	62.15
<b>Total</b>	<b>6162</b>	<b>4000007</b>	<b>100.00</b>

## **h) Registrar and Share Transfer Agents**

M/s. Cameo Corporate Services Limited, having its registered office at “Subramanian Building”, 5th Floor, No.1, Club House Road, Chennai 600 002, are the Registrars for the demat segment and also the share transfer agents of the company, to whom communications regarding share transfer and dematerialization requests must be addressed. All matters connected with share transfer, transmission, dividend payment is handled by the share transfer agent. Share transfers are processed within 15 days of lodgement. A Practising Company Secretary certifies on a quarterly basis the timely dematerialization of shares of the company.

## **i) Information in respect of unclaimed dividends due for remittance into Investor Education and Protection Fund (IEPF) is given below:**

Under the provisions of the Companies Act, 2013, dividends that remain unclaimed for a period of seven years from the date of declaration are required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. The unclaimed dividend details are already provided in the notes of notice.

- Shareholders are advised by the company well in advance before transferring the unclaimed dividends to IEPF. Members are requested to note that as per the Companies Act, unclaimed dividend once transferred to IEPF will not be refunded.
- Shareholders holding shares in electronic form are requested to deal only with their Depository Participant in respect of change of address, nomination facility and furnishing bank account number, etc.
- The Company also during the year has sent reminders letter to shareholders providing them with the details of unpaid dividend with respect to their amounts. The details of the same were enumerated below:

No. of reminders letters sent	3877
No. of letters returned	319
No. of replies received and responded by the company	96
No. of dividend payment processed	42

## **j) Request to Investors**

Shareholders are requested to follow the general safeguards/procedures as detailed hereunder in order to avoid risks while dealing in the securities of the company.

- Shareholders are requested to convert their physical holding to demat/electronic form through any of the DPs to avoid any possibility of loss, mutilation etc., of physical share certificates and also to ensure safe and speedy transaction in securities.

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- Shareholders holding shares in physical form, should communicate the change of address, if any, directly to the Registrars and Share Transfer Agent of the company.
- It has become mandatory for transferees to furnish a copy of Permanent Account Number for registration of transfer of shares held in physical mode.
- Shareholders holding shares in physical form who have not availed nomination facility and would like to do so are requested to avail the same, by submitting the nomination in Form 2B. The form will be made available on request. Those holding shares in electronic form are advised to contact their DPs.
- As required by SEBI, it is advised that the shareholders furnish details of their bank account number and name and address of their bank for incorporating the same in the dividend warrants. This would avoid wrong credits being obtained by unauthorized persons.

### k) Reconciliation of Share Capital Audit

A quarterly audit was conducted by a Practicing Company Secretary, reconciling the issued and listed capital of the company with the aggregate of the number of shares held by investors in physical form and in the depositories and the said certificates were submitted to the stock exchanges within the prescribed time limit. As on 31st March 2015, there was no difference between the issued and listed capital and the aggregate of shares held by investors in both physical form and in electronic form with the depositories. 37,47,653 equity shares representing 93.69% of the paid up equity capital have been dematerialized as on 31st March 2015.

### l) Information to Shareholders

A brief resume of the director reappointed together with the nature of his experience and details of the other directorships held by him is annexed to the Notice convening the Annual General Meeting.

### m) Address for Correspondence

To contact Registrars & Share :	M/s. Cameo Corporate Services Limited
Transfer Agents for matters relating to shares :	"Subramanian Building", 5th Floor, No.1, Club House road, Chennai-600002 Tel : 044-28460390 Fax : 44-28460129 E-mail: kandhimathi@cameoindia.com
For any other general matters or in case of any difficulties / grievance	Mr. S.Lakshmi Narasimhan Company Secretary and Compliance Officer Tel : 044-22541337/1098 Fax : 044-22541955 E-mail : elnet@md4.vsnl.net.in

## **17. NON-MANDATORY DISCLOSURES:**

The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed below:

### **(i) The Board**

The Company at Present has a Non-Executive chairman and he is not claiming any reimbursement of expenses incurred in the performance of his duties.

### **(ii) Nomination and Remuneration Committee:**

Please refer Item No.3 under corporate governance report.

### **(iii) Share Holders Rights:**

As the company's financial results are published in an English newspaper having wide circulation all over India and in Tamil newspaper widely circulated in Chennai, the same are not sent to the shareholders of the company individually. The company's un-audited quarterly/ half yearly and annual audited results are also posted in the company's website.

### **(iv) Audit Qualification**

There are no qualifications in the Auditor's report

### **(v) Training of Board Members**

The necessary training will be provided to the board members as and when required.

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### DECLARATION BY MANAGING DIRECTOR ON CODE OF CONDUCT UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To

The Members

I, hereby declare that to the best of my knowledge and information, all the Board Members and Senior Management Personnel have affirmed compliance with the code of conduct for the year ended March 31, 2015.

Place : Chennai  
Date : 22.05.2015

**UNNAMALAI THIAGARAJAN**  
Managing Director

### CERTIFICATION BY MANAGING DIRECTOR (MD) AND CHIEF FINANCIAL OFFICER (CFO) TO THE BOARD

We, Tmt. Unnamalai Thiagarajan, Managing Director and Thiru T.K. Karthik, Chief Financial Officer of Elnet Technologies Limited, certify that:

1. We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
  - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) these statements together present a true and fair view of the state of affairs of the company and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept overall responsibility for establishing and maintaining internal control for financial reporting. This is monitored by the internal audit function, which encompasses the examination and evaluation of the adequacy and effectiveness, of internal control. The internal auditor works with all levels of management and statutory auditors and reports significant issues to the audit committee of the Board. The auditors and audit committee are appraised of any corrective action taken with regard to significant deficiencies in the design or operation of internal controls.
4. We indicate to the auditors and to the audit committee:
  - a) Significant changes in internal control over financial reporting during the year;
  - b) Significant changes in accounting policies during the year; and that the same have been disclosed in the notes to the financial statements; and
  - c) Instances of significant fraud of which we have become aware of and which involve management or other employees having significant role in the company's internal control system and financial reporting. However, during the year there was no such instance.

Place : Chennai  
Date: 22.05.2015

**Unnamalai Thiagarajan**  
Managing Director

**T.K.Karthik**  
Chief Financial Officer



## **INDEPENDENT AUDITOR'S REPORT**

### **To the Members of Elnet Technologies Limited**

### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of Elnet Technologies Limited ('the Company'), which comprise the balance sheet as at 31 March 2015, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial

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statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015 and its profit and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

- (e) on the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
- (f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 4.7 to the financial statements;
  - ii. the Company did not have any provisions to be made, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts and
  - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place: Chennai  
Date : 22/05/2015

As per our report attached  
for **S.H. Bhandari & Co**  
Chartered Accountants

**Sreedhar Sreekakulam**  
Partner  
M.No.: 026474 FRN: 000438S

## **ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2015, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

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- (ii) The Company is a service company, primarily rendering infrastructure services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loan secured or unsecured to bodies corporate, firms and other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Thus, paragraph 3(iii) of the Order is not applicable.
- (iv) According to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and sale of services. The activities of the Company do not involve purchase of inventory and the sale of goods. We have not observed any major weakness in the internal control system during the course of the audit.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of accounts maintained by the company pursuant to sub-section (1) of section 148 of Companies Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, value added tax, cess and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no material dues of wealth tax, and cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following are the particulars of service tax and income tax dues that have not been deposited with appropriate authorities on account of disputes as on March 31, 2015:

Name Of the Statute	Nature of the dues	Period [A.Y]	Amount (In Rs.)	Forum where dispute is pending
Income-tax Act,1961	Income Tax	2007-2008	11,30,593	Commissioner of Income Tax (Appeals)
Income-tax Act,1961	Income Tax	2009-2010	47,475	Commissioner of Income Tax (Appeals)
Finance Act,1994	Service tax on Electricity	Notice 276/2011 dtd 19.07.2011	22,71,949	Office of the Commissioner of Service Tax, Chennai
Finance Act,1994	Service tax on Electricity	Notice 758/2010 dtd 23.11.2010	20,45,540	Office of the Commissioner of Service Tax, Chennai
Finance Act,1994	Service tax on Electricity	Notice 342/2010 dtd 20.05.2010	27,66,385	Office of the Commissioner of Service Tax, Chennai
Finance Act,1994	Service tax on Electricity	Notice 202/2010 dtd15.04.2010	47,38,839	Office of the Commissioner of Service Tax, Chennai
Finance Act,1994	Service Tax on Electricity	Notice 88/2009 dtd 27.03.2009	1,21,40,756	Office of the Commissioner of Service Tax, Chennai
Finance Act,1994	Service Tax on Electricity	Notice 75/2013 dtd 09.04.2013	43,01,070	Office of the Commissioner of Service Tax, Chennai

(c) According to the information and explanations given to us the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has been transferred to such fund within time.

(viii) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.

(ix) The Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year.

(x) According to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

(xi) The Company did not have any term loans outstanding during the year.

(xii) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

Place: Chennai  
Date : 22/05/2015

for **S.H. Bhandari & Co**  
Chartered Accountants

**Sreedhar Sreekakulam**  
Partner

M.No.: 026474 FRN: 000438S

## TWENTY FOURTH ANNUAL REPORT 2014 - 15

<b>BALANCE SHEET</b>			
<b>Particulars</b>	<b>Note No.</b>	<b>As at 31<sup>st</sup> March, 2015 ₹</b>	<b>As at 31<sup>st</sup> March, 2014 ₹</b>
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share Capital	1	40,000,070	40,000,070
(b) Reserves and Surplus	2	433,735,804	389,921,253
		<b>473,735,874</b>	<b>429,921,323</b>
<b>2 Non-current liabilities</b>			
(a) Long-term Borrowings	3	42,633,883	42,633,883
(b) Deferred tax Liabilities (net)	22(3.6)	16,359,705	23,970,236
(c) Other Long-Term Liabilities	4	124,486,584	119,456,815
(d) Long-term Provisions	5	1,325,389	356,582
		<b>184,805,561</b>	<b>186,417,516</b>
<b>3 Current Liabilities</b>			
(a) Trade Payables	6	588,579	4,192,043
(b) Other Current Liabilities	7	3,849,918	3,622,860
(c) Short-term Provisions	8	7,932,812	8,305,379
		12,371,309	16,120,282
<b>TOTAL</b>		<b>670,912,744</b>	<b>632,459,121</b>
<b>B ASSETS</b>			
<b>1 Non-current Assets</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible Assets	9(i)	383,032,859	413,691,300
(ii) Intangible Assets	9(ii)	-	33,210
		<b>383,032,859</b>	<b>413,724,510</b>
(b) Non-current Investments	10	31,253,000	31,253,000
(c) Long-term Loans and Advances	11	18,542,220	25,769,701
(d) Other Non Current Assets	12	13,000,000	15,500,000
		<b>62,795,220</b>	<b>72,522,701</b>
<b>2 Current Assets</b>			
(a) Trade Receivables	13	18,315,059	17,136,539
(b) Cash and Cash Equivalents	14	185,970,762	119,328,854
(c) Short-term Loans and Advances	15	7,667,841	2,640,839
(d) Other Current Assets	16	13,131,003	7,105,678
		<b>225,084,665</b>	<b>146,211,910</b>
<b>TOTAL</b>		<b>670,912,744</b>	<b>632,459,121</b>
Significant Accounting Policies and Explanatory Statement	22		

Note 22 is an intergral part of these financial statements

For and on behalf of the Board of Directors

**Unnamalai Thiagarajan**  
Managing Director

**G. Chellakrishna**  
Director

**K. Padmanaban**  
Director

As per our Report attached

**For S.H.Bhandari & Co**  
Chartered Accountants

**T.K.Karthik**  
Chief Financial Officer

**S.Lakshmi Narasimhan**  
Company Secretary

**Sreedhar Sreekakulam**  
Partner

Place : Chennai  
Date : 22.05.2015

M.No.026474 FRN000438S

<b>STATEMENT OF PROFIT AND LOSS</b>			
<b>Particulars</b>	<b>Note No.</b>	<b>For the year ended 31<sup>st</sup> March, 2015</b> ₹	<b>For the year ended 31<sup>st</sup> March, 2014</b> ₹
<b>A CONTINUING OPERATIONS</b>			
1 Revenue from Operations	17	214,771,023	215,618,933
2 Other Income	18	18,233,339	9,760,784
3 Total Revenue		<b>233,004,362</b>	<b>225,379,717</b>
4 Expenses			
(a) Employee Benefits Expense	19	15,416,395	13,942,452
(b) Finance Costs	20	36,719	39,649
(c) Depreciation and Amortisation Expense	9	49,100,449	34,505,119
(d) Other Expenses	21	83,711,459	90,433,333
Total Expenses		<b>148,265,022</b>	<b>138,920,553</b>
<b>5 Profit / (Loss) before tax</b>		<b>84,739,340</b>	<b>86,459,164</b>
6 Tax Expense:			
(a) Current Tax Expense for current year		37,000,000	30,500,000
(b) Deferred Tax		(7,610,531)	(2,431,403)
		29,389,469	28,068,597
<b>7 Profit / (Loss) for the year</b>		<b>55,349,871</b>	<b>58,390,567</b>
Excess Provision Written Back		920,448	-
		<b>56,270,319</b>	<b>58,390,567</b>
8 Earnings per share (of face value of ₹ 10/- each):			
Basic & Diluted	22(3.5)	14.07	14.60
Significant Accounting Policies and Explanatory Statement	22		

Note 22 is an intergral part of these financial statements

For and on behalf of the Board of Directors

**Unnamalai Thiagarajan**  
Managing Director

**G. Chellakrishna**  
Director

**K. Padmanaban**  
Director

As per our Report attached

**For S.H.Bhandari & Co**  
Chartered Accountants

**T.K.Karthik**  
Chief Financial Officer

**S.Lakshmi Narasimhan**  
Company Secretary

**Sreedhar Sreekakulam**  
Partner

Place : Chennai  
Date : 22.05.2015

M.No.026474 FRN000438S

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### NOTES FORMING PART OF THE FINANCIAL STATEMENTS

#### NOTE 1 SHARE CAPITAL

Particulars	As at 31 <sup>st</sup> March, 2015		As at 31 <sup>st</sup> March, 2014	
	Number of shares	₹	Number of shares	₹
<b>(a) Authorised</b>				
Equity shares of ₹ 10/- each with voting rights	5,000,000	50,000,000	5,000,000	50,000,000
<b>(b) Issued</b>				
Equity shares of ₹ 10/- each with voting rights	4,000,007	40,000,070	4,000,007	40,000,070
<b>(c) Subscribed and fully paid up</b>				
Equity shares of ₹ 10/- each with voting rights	4,000,007	40,000,070	4,000,007	40,000,070
<b>Total</b>	<b>4,000,007</b>	<b>40,000,070</b>	<b>4,000,007</b>	<b>40,000,070</b>

#### Note: Terms and rights attached to equity shares

(a) The company has only one class of Equity shares having value of ₹ 10 each

(b) Each holder of Equity shares is entitled to one vote per share

(c) Dividend proposed by the Board of Directors is subject to the approval of the share holders in the ensuing Annual General Meeting except in the case of interim dividend

#### Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Closing Balance
<b>Equity shares with voting rights</b>		
Year ended 31st March, 2015		
- Number of shares	4,000,007	4,000,007
- Amount (₹)	40,000,070	40,000,070
Year ended 31st March, 2014		
- Number of shares	4,000,007	4,000,007
- Amount (₹)	40,000,070	40,000,070

(ii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 <sup>st</sup> March, 2015		As at 31 <sup>st</sup> March, 2014	
	Number of shares held	% Holding in that class of shares	Number of shares held	% Holding in that class of shares
<b>Equity shares with voting rights</b>				
Electronics Corporation of Tamil Nadu Ltd	1,040,006	26.00%	1,040,006	26.00%
Stur Technologies Pvt Ltd	450,000	11.25%	450,000	11.25%
Southern Projects Management Pvt Ltd	254,371	6.36%	254,371	6.36%
Shanmugam Thiagarajan	369,483	9.24%	-	-
Shanmugham Thiagarajan	-	-	369,483	9.24%



<b>NOTES FORMING PART OF THE FINANCIAL STATEMENTS</b>		
<b>NOTE 2 : RESERVES AND SURPLUS</b>		
<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2015 ₹</b>	<b>As at 31<sup>st</sup> March, 2014 ₹</b>
<b>(a) General reserve</b>		
Opening balance	236,905,976	216,905,976
Add : Transferred from surplus in Statement of Profit and Loss	20,000,000	20,000,000
Less: Depreciation under transitional provisions of the Companies Act, 2013	5,715,728	-
<b>Closing balance</b>	<b>251,190,248</b>	<b>236,905,976</b>
<b>(b) Other reserve</b>		
<b>(i) Opening balance: Subsidy from SIPCOT</b>	2,575,000	2,575,000
<b>Closing balance</b>	<b>2,575,000</b>	<b>2,575,000</b>
<b>(ii) Surplus in Statement of Profit and Loss</b>		
<b>Opening balance</b>	150,440,277	118,601,442
Add : Profit for the year - Amounts Transferred from Statement of Profit and Loss	56,270,319	58,390,567
Less : <b>Final Dividend</b>		
Dividend proposed to be distributed & Distributed to equity sharholders (₹1.40 per share respectively)	5,600,010	5,600,010
Tax on Dividend	1,140,030	951,722
Less : <b>Transferred to General Reserve</b>	20,000,000	20,000,000
<b>Closing balance</b>	<b>179,970,556</b>	<b>150,440,277</b>
<b>Total</b>	<b>433,735,804</b>	<b>389,921,253</b>

<b>NOTE 3 : LONG-TERM BORROWINGS</b>		
Loans and advances from related parties		
Unsecured	42,633,883	42,633,883
<b>Total</b>	<b>42,633,883</b>	<b>42,633,883</b>

No Specific Terms and Conditions

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<b>Details of Terms of Repayment for the other Long-Term Borrowings and Security provided in respect of the secured other Long-Term Borrowings:</b>					
<b>Particulars</b>	<b>Nature of the person</b>	<b>As at 31<sup>st</sup> March, 2015</b>		<b>As at 31<sup>st</sup> March, 2014</b>	
		<b>Secured ₹</b>	<b>Unsecured ₹</b>	<b>Secured ₹</b>	<b>Unsecured ₹</b>
<b>Loans and advances from related parties:</b>					
Shanmugham Thiagarajan	Spouse of Managing Director	-	36,624,742	-	36,624,742
Stur Technologies Pvt Ltd.,	Promoter	-	6,009,141	-	6,009,141
<b>Total - Loans and advances from related parties</b>		-	<b>42,633,883</b>		<b>42,633,883</b>

<b>NOTE 4 : OTHER LONG-TERM LIABILITIES</b>	<b>As at 31<sup>st</sup> March, 2015 ₹</b>	<b>As at 31<sup>st</sup> March, 2014 ₹</b>
<b>(a) Others:</b>		
(i) Trade / security deposits received	776,224	855,489
(ii) Others : Compensation deposits and Token Deposits	123,710,360	118,601,326
<b>Total</b>	<b>124,486,584</b>	<b>119,456,815</b>

<b>NOTE 5 : LONG-TERM PROVISIONS</b>		
<b>(a) Provision - Others:</b>		
(i) Provision - Bad debts	356,582	356,582
(ii) Provision for Compensated Absences	968,807	-
<b>Total</b>	<b>1,325,389</b>	<b>356,582</b>

<b>NOTE 6 : TRADE PAYABLES</b>		
<b>Trade payables:</b>		
Trade payables	588,579	4,192,043
<b>Total</b>	<b>588,579</b>	<b>4,192,043</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

<b>NOTE 7 : OTHER CURRENT LIABILITIES</b>	<b>As at 31<sup>st</sup> March, 2015 ₹</b>	<b>As at 31<sup>st</sup> March, 2014 ₹</b>
<b>(a) Unpaid dividends</b>	2,099,924	2,231,361
<b>(b) Other payables</b>		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, VAT, Service Tax, etc.)	467,038	141,440
(ii) Department of Telecommunication, Interest on Disputed Dividend	1,282,956	1,250,059
<b>Total</b>	<b>3,849,918</b>	<b>3,622,860</b>

**NOTE 8 : SHORT-TERM PROVISIONS**

<b>(a) Provision for employee benefits:</b>		
(i) Provision for Bonus & Ex-Gratia	1,095,295	987,351
(ii) Provision for Compensated Absences	97,477	740,076
(iii) Provision for Gratuity	-	26,220
Sub-total	<b>1,192,772</b>	<b>1,753,647</b>
<b>(b) Provision - Others:</b>		
(i) Provision for proposed equity dividend	5,600,010	5,600,010
(ii) Provision for tax on proposed dividends	1,140,030	951,722
Sub-total	<b>6,740,040</b>	<b>6,551,732</b>
<b>Total</b>	<b>7,932,812</b>	<b>8,305,379</b>

**TWENTY FOURTH ANNUAL REPORT 2014 - 15**

<b>NOTES FORMING PART OF THE FINANCIAL STATEMENTS</b>												
<b>NOTE 9 (i) TANGIBLE ASSETS</b>												
(Amount in ₹)												
Asset Group	Gross Block						Depreciation / Amortisation				Net Block	
	Assets as on 31st March 2014	Addition During the year	Deletion During the year	Assets as on 31st March 2015	Dep. as at 31st March 2014	Dep. for the Year	Dep. on Deletions	Dep. as at 31st March 2015	Transition Adjustment (Refer Note )	Balance as at 31st March 2015	Balance as at 31st March 2014	
Land	2,348,620	-	-	2,348,620	-	-	-	-	-	2,348,620	2,348,620	
Lease Hold Land	115,041,537	-	-	115,041,537	4,716,280	-	-	4,716,280	-	110,325,257	110,325,257	
Building	224,295,155	2,073,236	-	226,368,391	48,817,894	6,416,808	-	55,234,702	3,379,932	167,753,757	175,477,261	
Plant & Machinery	30,736,237	143,917	-	30,880,154	9,467,782	4,139,765	-	13,607,547	537,754	16,734,853	21,268,455	
Wind Mill	27,625,000	-	-	27,625,000	27,139,950	485,050	-	27,625,000	-	-	485,050	
Electrical Fittings	65,091,055	5,420,980	-	70,512,035	30,079,208	13,543,156	-	43,622,364	986,548	25,903,123	35,011,847	
Furniture & Fixture	31,294,080	8,421,208	-	39,715,268	25,789,425	3,207,331	-	28,996,756	-	10,718,512	5,504,635	
Fitouts	66,807,000	4,072,297	-	70,879,297	26,258,172	16,848,984	-	43,107,156	-	27,772,141	40,548,828	
Computers	1,044,653	169,455	-	1,214,108	494,262	331,022	-	825,284	8,108	380,716	550,391	
Air Conditioners	24,443,353	1,807,637	450,000	25,800,990	15,614,950	1,728,890	450,000	16,893,840	770,176	8,136,974	8,828,403	
UPS	10,256,996	-	-	10,256,996	10,187,205	36,467	-	10,223,672	-	33,324	69,791	
Others	15,522,997	996,789	746,368	15,773,418	15,043,920	257,786	746,368	14,555,338	-	1,218,080	479,077	
Xerox Machine	332,620	-	-	332,620	37,289	116,315	-	153,604	-	179,016	295,331	
Multi Level Car Park	20,348,801	-	-	20,348,801	9,063,429	1,509,882	-	10,573,311	-	9,775,490	11,285,372	
Vehicles	3,697,130	1,078,787	2,608,496	2,167,421	2,484,148	478,993	2,548,716	414,425	-	1,752,996	1,212,982	
<b>Total</b>	<b>638,885,214</b>	<b>24,184,306</b>	<b>3,804,864</b>	<b>659,264,656</b>	<b>225,193,914</b>	<b>49,100,449</b>	<b>3,745,084</b>	<b>270,549,279</b>	<b>5,682,518</b>	<b>383,032,859</b>	<b>413,691,300</b>	
<b>Total of Previous Year</b>	<b>612,232,331</b>	<b>28,312,874</b>	<b>1,659,991</b>	<b>638,885,214</b>	<b>192,362,204</b>	<b>34,418,341</b>	<b>1,586,632</b>	<b>225,193,914</b>	<b>-</b>	<b>413,691,300</b>	<b>-</b>	

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### NOTE 9 (ii) INTANGIBLE ASSETS

(Amount in ₹)

ASSET GROUP	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK		
	Assets as on 31st March 2014	Addition During the year	Deletion During the year	Assets as on 31st March 2015	Dep. as at 31st March 2014	Dep. for the Year	Dep. on Deletions	Dep. as at 31st March 2015	Transition Adjustment (Refer Note )	Balance as at 31st March 2015	Balance as at 31st March 2014
Computer Software	506,242	-	-	506,242	473,032	-	-	473,032	33,210	-	33,210
<b>Total</b>	<b>506,242</b>	<b>-</b>	<b>-</b>	<b>506,242</b>	<b>473,032</b>	<b>-</b>	<b>-</b>	<b>473,032</b>	<b>33,210</b>	<b>-</b>	<b>33,210</b>
<b>Total Of Previous Year</b>	<b>506,242</b>	<b>-</b>	<b>-</b>	<b>506,242</b>	<b>386,254</b>	<b>86,778</b>	<b>-</b>	<b>473,032</b>	<b>-</b>	<b>33,210</b>	

**Note :** During the year ended 31 March 2015, in respect of Assets for which useful life has been adopted in line with Schedule II of Companies Act, 2013, depreciation is higher by ₹ 14,677,842/-. For Fixed Assets that have completed its useful life as of 1st April, 2014, the net residual value of ₹ 5,715,728/- has been adjusted to General Reserves in complying with the transitional provisions specified in Schedule -I.

### NOTE 10 : NON-CURRENT INVESTMENTS

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	Quoted ₹	Unquoted ₹	Quoted ₹	Unquoted ₹
<b>Investments (At cost):</b>				
<b>A Other Investment</b>				
<b>Investment in Equity Instruments</b>				
(i) <b>of Subsidiaries</b>				
1,00,000 Equity shares (As at 31st March 2014: 1,00,000) of ₹ 10 each fully paid up in Elnet Software City Ltd.,	-	1,00,000	-	1,00,000
(ii) <b>Others</b>				
30,25,300 Equity Shares (As at 31st March 2014: 30,25,300) of ₹ 10 each fully paid up in IG3 Infra Ltd (Formerly known as Indian Green Grid Group Ltd)	-	30,253,000	-	30,253,000
<b>Total</b>	<b>-</b>	<b>31,253,000</b>	<b>-</b>	<b>31,253,000</b>

Aggregate amount of unquoted investments ₹ 3,12,53,000

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<b>NOTES FORMING PART OF THE FINANCIAL STATEMENTS</b>		
<b>NOTE 11 : LONG-TERM LOANS AND ADVANCES</b>		
<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2015 ₹</b>	<b>As at 31<sup>st</sup> March, 2014 ₹</b>
<b>(a) Security deposits</b> Unsecured, considered good	3,970,741	3,683,057
<b>(b) Loans and advances to Employees</b> Unsecured, considered good	20,762	16,846
<b>(c) Balance with Revenue Authorities</b> Advance Income Tax {Net of provision for Tax for current year - ₹ 3,70,00,000 (Previous year ₹3,05,00,000)}	1,014,162	71,682
Net Off Advance Tax, TDS & Provision for Tax of previous years	13,426,854	21,711,629
Unsecured, considered good	14,441,016	
<b>(d) CENVAT credit receivable</b> Secured, considered good	109,701	286,487
<b>Net Total</b>	<b>18,542,220</b>	<b>25,769,701</b>
<b>NOTE 12 : NON CURRENT ASSETS</b>		
<b>Other Non Current Assets</b>		
<b>(i) Other Bank Balances</b> (Bank Deposits with more than 12 months maturity)	13,000,000	15,500,000
<b>Total</b>	<b>13,000,000</b>	<b>15,500,000</b>
<b>NOTE 13 : TRADE RECEIVABLES</b>		
<b>Trade receivables outstanding for a period exceeding six months from the date they were due for payment</b>	-	-
<b>Other Trade Receivables</b> Secured, considered good	18,315,059	17,136,539
<b>Total</b>	<b>18,315,059</b>	<b>17,136,539</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**NOTE 14 : CASH AND CASH EQUIVALENTS**

Particulars	As at 31 <sup>st</sup> March, 2015 ₹	As at 31 <sup>st</sup> March, 2014 ₹
<b>(a) Cash on hand</b>	40,063	46,070
<b>(b) Balances with banks</b>		
(i) In current accounts	1,330,775	2,551,423
(ii) In deposit accounts	182,500,000	114,500,000
(iii) Un paid dividend accounts	2,099,924	2,231,361
<b>Total</b>	<b>185,970,762</b>	<b>119,328,854</b>

**NOTE 15 : SHORT-TERM LOANS AND ADVANCES**

<b>(a) Capital Advances</b>		
Unsecured, Considered good	4,300,000	-
<b>(b) Loans and advances to employees</b>		
Unsecured, considered good	90,367	165,285
<b>(c) Advances to Suppliers</b>		
Unsecured, considered good	3,600	137,581
<b>(d) Prepaid expenses - Unsecured, considered good</b>	2,917,292	1,981,391
<b>(e) Others - Unsecured, doubtful</b>	356,582	356,582
<b>Total</b>	<b>7,667,841</b>	<b>2,640,839</b>

**NOTE 16 : OTHER CURRENT ASSETS**

<b>(a) Accruals</b>		
(i) Interest accrued but not due on deposits	11,740,829	6,360,060
<b>(b) Stores Stock</b>	1,115,960	745,618
<b>(c) Others</b>		
(i) Others (Gratuity Fund - Excess of fair value of plan assets over present value of obligations) - Refer Note # 22 - 3.1 (ii)	274,214	-
<b>Total</b>	<b>13,131,003</b>	<b>7,105,678</b>

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<b>NOTES FORMING PART OF THE FINANCIAL STATEMENTS</b>		
<b>NOTE 17 : REVENUE FROM OPERATIONS</b>		
<b>Particulars</b>	<b>For the year ended 31<sup>st</sup> March, 2015 ₹</b>	<b>For the year ended 31<sup>st</sup> March, 2014 ₹</b>
<b>Sale of Services comprises</b>		
(a) Compensation Income	162,364,656	156,827,033
(b) Other Operating Revenues	52,406,367	58,791,900
<b>Total</b>	<b>214,771,023</b>	<b>215,618,933</b>
<b>NOTE 18 : OTHER INCOME</b>		
(a) Interest income (Refer Note (i) below)	17,625,504	9,402,732
(b) Other Non-Operating Income (Net of expenses directly attributable to such income) (Refer Note (ii) below)	607,835	358,052
<b>Total</b>	<b>18,233,339</b>	<b>9,760,784</b>
<b>Note</b>		
(i) Interest income comprises:		
On Deposits	16,602,250	9,392,222
On loans to Employees	5,332	10,510
On IT Refund	1,017,922	-
<b>Total - Interest income</b>	<b>17,625,504</b>	<b>9,402,732</b>
(ii) Other Non-operating Income comprises:		
Profit on sale of fixed assets	432,299	345,236
Other Receipts	175,536	12,816
<b>Total - Other Non-operating Income</b>	<b>607,835</b>	<b>358,052</b>
<b>NOTE 19 : EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and wages	13,827,940	12,582,464
Contributions to provident and other funds	679,662	654,244
Staff welfare expenses	908,793	705,744
<b>Total</b>	<b>15,416,395</b>	<b>13,942,452</b>



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**NOTE 20 : FINANCE COSTS**

Particulars	For the year ended 31 <sup>st</sup> March, 2015 ₹	For the year ended 31 <sup>st</sup> March, 2014 ₹
<b>Interest expense on:</b>		
(i) Borrowings	-	-
(ii) Others	36,719	39,649
<b>Total</b>	<b>36,719</b>	<b>39,649</b>

**NOTE 21 : OTHER EXPENSES**

Electricity (Refer Note 22-4.5)	24,103,024	17,702,047
Diesel	18,351,613	29,121,730
Water	1,939,750	1,486,139
Rent including Lease Rentals	1	1
Repairs and maintenance - Buildings	16,285,388	19,932,040
Repairs and maintenance - Machinery	3,647,899	4,166,451
Repairs and maintenance - Others	9,659,569	10,422,220
Insurance	1,132,410	936,477
Rates and taxes	2,596,968	2,435,542
Communication	487,593	565,416
Travelling and conveyance	526,216	452,721
Printing and stationery	467,222	414,277
Business promotion	503,113	534,605
Legal and professional	557,914	572,035
Payments to auditors (Refer Note (i) below)	475,000	421,350
Sitting Fees	735,000	539,000
Bad Debts	5,672	-
CSR Contribution	1,535,000	-
Miscellaneous expenses	702,107	731,282
<b>Total</b>	<b>83,711,459</b>	<b>90,433,333</b>
<b>Note</b>		
<b>Payments to the auditors comprises</b>		
As auditors - statutory audit	325,000	280,900
For taxation matters	75,000	67,415
For other services	75,000	73,035
<b>Total</b>	<b>475,000</b>	<b>421,350</b>

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### NOTE 22: SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY STATEMENT

#### 1. GENERAL INFORMATION

Elnet Technologies Limited (ETL) was incorporated in August 1990 as a Public Limited Company which is situated in the IT corridor, Rajiv Gandhi Salai, Taramani, Chennai. ETL's core competence is to develop and manage Software Technology Park. ETL has pioneered the concept of Software Technology Park in India and also providing infrastructure to IT and ITES.

#### 2. SIGNIFICANT ACCOUNTING POLICIES

##### 2.1 Basis of Preparation of Financial Statements

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles ( GAAP ) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under Ssection 133 of the Companies Act,2013 ("Act") read with Rule 7 of the Companies ( Accounts ) Rules 2014, the provisions of the Act ( to the extent notified ) and guidelines issued by the Securities and Exchange Board of India ( SEBI ). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

##### 2.2 Accounting Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles {GAAP} requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any difference between the actual result and estimates are recognized in the period in which the results are known / materialize. Any revision to accounting estimates is recognized prospectively in current and future periods.

##### 2.3 Revenue Recognition

Compensation Income and Electricity Income are accounted on accrual basis as and when they are due on monthly basis.

Interest Income is also accounted on accrual basis.

Income from Windmill is taken on a monthly basis upon credit given by Tamil Nadu Electricity Board for the units generated and supplied.

## 2.4 Fixed Assets and Intangibles

Fixed Assets are stated at historical cost less accumulated depreciation. Historical Cost includes expenditure of capital nature and valued at cost of acquisition inclusive of freight, duties, taxes, incidental charges relating to the acquisition and the cost of installation / erection as applicable. In respect of construction of assets forming part of expansion project, directly attributable costs including financing costs relating to specific borrowings are also capitalized.

Advances paid towards acquisition of fixed assets and cost of assets not put to use before the year end are shown under Capital Work – in – Progress.

Land Lease deposit has also been shown under “Lease Hold Land” and not amortized over the period of lease, as the deposit is refundable after the expiry of period of 90 years

Land Lease registration charges has been shown under “Lease Hold Land” and amortized over a period of ten years

The Company has classified Accounting Software as Intangible.

## 2.5 Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged for when the asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount

## 2.6 Depreciation

Depreciation on tangible assets are provided on Straight Line Method over the useful life of the assets.

- a) In respect of the following assets, the management, based on internal assessment and evaluation, estimates the useful life as follows:

Particulars of Assets	Useful Life ( in years )
Fitouts	4.00
Furniture & Fixture	4.00
Multi Level Car Park	13.50
Office Equipments	4.00
Vehicle – Car	4.00

- b) In respect of other assets, the useful life as provided under Schedule II of the Companies Act, 2013 is considered.
- c) Residual value for all assets is considered as Nil

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### 2.7 Investments

Investments are held as long term and are stated at Cost.

### 2.8 Borrowing Costs

Borrowing costs, that are attributable to the construction of a qualifying asset, forming part of the expansion project or otherwise are capitalized as part of such assets till such time where the assets are ready for its intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale.

### 2.9 Employee benefits

#### i) Post –Employment Benefit Plans

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognized in full in the Statement of Profit and Loss for the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested, and otherwise is amortized on straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognized in the balance sheet represents the present value of the defined obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.

#### ii) Short-term Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period when the employee renders the service.

### 2.10 Taxation

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT), if any, is paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is

considered as an asset if there is convincing evidence that the Company will pay normal income tax.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

## **2.11 Earnings Per Share**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

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### 2.12 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the additional information to financial statements.

### 2.13 Service Tax Input Credit

Service Tax input credit is accounted for in the books in the period in which the underline service received is accounted and when there is no uncertainty in availing/utilizing the credits.

## 3. EXPLANATORY STATEMENT

### 3.1 Retirement benefits to employees

#### (i) Defined Contribution Plan

##### Provident fund

In respect of defined contributions schemes, contributions to Provident Fund and Family Pension they are charged to the statement of Profit and Loss as incurred.

#### (ii) Defined benefit plan

##### Gratuity

The Company provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as of the balance sheet date, based upon which, the company contributes all the ascertained liabilities to the Elnet Technologies Ltd Employees' Gratuity Fund Trust (the "Trust"). Trustees administer contributions by means of a group gratuity policy with Life Insurance Corporation of India.

The following table sets out the status of the gratuity plan as required under AS 15:

**Change in benefit obligations (Fully Funded)**

Particulars	Gratuity Plan 31.3.2015	Gratuity Plan 31.3.2014
	₹ in Lakhs	₹ in Lakhs
Projected benefit obligation at beginning of the year	19.64	16.44
Service Cost	1.01	1.82
Interest cost	1.57	1.32
Actuarial (gain)/loss	-0.29	0.06
Benefits paid	-	-
Projected benefit obligation, end of the year	21.93	19.64

**Change in plan assets:**

Particulars	Gratuity Plan 31.3.2015	Gratuity Plan 31.3.2014
	₹ in Lakhs	₹ in Lakhs
Plan assets at beginning of the year at fair value	19.38	16.87
Expected return on plan assets	1.97	1.53
Actuarial (gain)/loss	-	-
Employer's Contributions	3.33	0.98
Benefits paid	-	-
Plan assets at the end of the year at fair value	24.67	19.38

**Reconciliation of present value of the obligation and the fair value of the plan assets**

Particulars	31.3.2015	31.3.2014
	₹ in Lakhs	₹ in Lakhs
Fair value of plan assets at the end of the year	24.67	19.38
Present value of the defined benefit obligations at the end of the period	21.93	19.64
( Liability ) / Asset	2.74	(0.26)

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### Gratuity cost for the year ended March 31 2015

Particulars	Gratuity Plan 31.03.2015	Gratuity Plan 31.03.2014
	₹ in Lakhs	₹ in Lakhs
Service cost	1.01	1.82
Interest cost	1.57	1.32
Expected return on plan assets	(1.97)	(1.53)
Actuarial (gain)/ loss	(0.29)	0.06
Net cost	0.32	1.67

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	Year ended 31.3.2015	Year ended 31.3.2014
Investment with Insurer	100%	100%
Actual return on plan assets (Based on interest rate declared by the insurer )	8.75%	8.75%

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

### Investment details of plan assets :

**Deposited with Life Insurance Corporation of India (Group gratuity policy).**

### Assumptions

Particulars	Gratuity Plan 31.03.2015	Gratuity Plan 31.03.2014
Discount rate	8%	8%
Salary escalation rate	6%	5%
Expected employers contribution next year (₹)	75,000	1,75,000



The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

### iii Leave encashment

The employees of the Company are entitled to compensated absence. The employees can carry forward a portion of the unutilized accrued compensated absence and utilize it in future periods or receive cash compensation at retirement or termination of employment for the unutilized accrued compensated absence for a maximum of 180 days. The Company records an obligation for compensated absences in the period in which the employee renders the services that increase this entitlement. The Company measures the expected cost of compensated absence as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date based on actuarial valuations which is non funded.

Effective this year, the company measured leave encashment liability based on actuarial valuation as against providing such liability on estimated basis as short term liability until the previous year.

<b>Change in benefit obligations (Non Funded)</b>	<b>Leave Encashment 31.3.2015</b>
<b>Particulars</b>	<b>₹ in Lakhs</b>
Projected benefit obligation at beginning of the year	7.40
Service Cost	3.67
Interest cost	0.47
Actuarial (gain)/loss	2.00
Benefits paid	(2.89)
Projected benefit obligation, end of the year	10.65

<b>Particulars</b>	<b>Leave Encashment 31.03.2015</b>
	<b>₹ in Lakhs</b>
Service cost	3.67
Interest cost	0.47
Actuarial (gain)/ loss	2.00
Net cost	6.14

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Assumptions :

Interest (Discount Rate ) Liability - 8%

Salary Escalation rate ( p.a ) - 12%

Resignation Rate ( p.a) – 10%

Accumulated leave, which is expected to be utilized within the next 12 months, treated as short-term employee benefits.

**3.2 Segment wise reporting as per standard AS 17 is not applicable to the company as the company collects only compensation from its tenants.**

### 3.3 Related Party Transactions

#### Related Party Disclosures

I. Name of the related party	Electronics Corporation of Tamil Nadu Ltd (ELCOT)
Description of the relationship between the parties	Joint venture partner holding 26% Equity capital of the company
Description of the nature of transaction	Lease of land presently occupied by the Company. 1. Land Lease Rentals. 2. Web hosting charges. 3. Sitting fees.
Volume of transactions	1. ₹1/- towards lease rent. (2014: ₹1/-) 2. Web hosting charges ₹8,427/-. (2014 : ₹ 8,427/-) 3. Sitting fees ₹119,000. (2014: ₹ 77,000)
Any other element of the transaction necessary for understanding the transaction	Nil
Amount outstanding at the balance sheet date	₹11,03,25,257 (2014: ₹11,03,25,257)
Amount written back during the year	Nil

II Name of the related party	Elnet Software City Limited
Description of the relationship between the parties	Subsidiary Company
Description of the nature of transaction	Investment in equity shares
Volume of transactions	NIL
Any other element of the transaction necessary for understanding the transaction	None
Amount outstanding at the balance sheet date	NIL
Amount written back during the year	NIL

<b>III Name of the related party</b>	<b>IG3 Infra Ltd (Formerly Indian Green Grid Group Ltd)</b>
Description of the relationship between the parties	A company in which Managing Director is also the Managing Director
Description of the nature of transaction	Investment in equity shares
Volume of transactions	Nil (2014: Nil )
Any other element of the transaction necessary for understanding the transaction	None
Amount outstanding at the balance sheet date	NIL
Amount written back during the year	NIL

<b>IV Name of the related party</b>	<b>Stur Technologies Pvt Ltd., (Formerly New Era Technologies Pvt Ltd)</b>
Description of the relationship between the parties	Promoter
Description of the nature of transaction	(a) The unsecured loan from the company to the tune of ₹ 60,09,141/- continues to exist. (b) Interest of ₹1,46,503/- payable on FD made out of disputed dividend for the years 2000-01 and 2001-02
Volume of transactions	NIL
Any other element of the transaction necessary for understanding the transaction	None
Amount outstanding at the balance sheet date	(a) ₹60,09,141/- (2014: ₹ 60,09,141/-) (b) ₹1,46,503/- (2014: ₹1,46,503)
Amount written back during the year	NIL

<b>V Name of the related party</b>	<b>Shri. Shanmugham Thiagarajan (Formerly Shri Thiagaraj S Chettiar)</b>
Description of the relationship between the parties	Spouse of Managing Director
Description of the nature of transaction	Unsecured Loan of ₹ 3,66,24,742/- (2014: ₹ 3,66,24,742/-)
Volume of transactions	NIL
Any other element of the transaction necessary for understanding the transaction	None
Amount outstanding at the balance sheet date	₹ 3,66,24,742/- (2014: ₹ 3,66,24,742)
Amount written back during the year	NIL

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### KEY MANAGEMENT PERSONNEL

<b>VI Name of the related party</b>	<b>Mrs. Unnamalai Thiagarajan</b>
Description of the relationship between the parties	Managing Director of the Company
Description of the nature of transaction	Remuneration
Volume of transactions	₹ 14,00,000/- (2014: ₹ 14,00,000)
Any other element of the transaction necessary for understanding the transaction	NIL
Amount outstanding at the balance sheet date	NIL
Amount written back during the year	NIL

### 3.4 Accounting for Leases

During the year 1995-96, the Company has completed the construction of its IT Park at Taramani, Chennai and leased out the entire completed portion of the premises. The disclosure required for operating leases under AS 19 is given below:

Particulars	As at 31-03-2015	As at 31-03-2014
	( ₹ )	( ₹ )
Cost of Buildings leased	226,368,391	224,295,155
Depreciation provided during the year on Buildings leased	6,416,808	3,631,612
Accumulated depreciation on buildings leased including transition adjustment	58,614,633	48,817,893
Impairment loss recognised in Statement of Profit and Loss	Nil	Nil
Impairment loss reversed in Statement of Profit and Loss	Nil	Nil
Future minimum lease payment (receivable)		
Not later than one year	136,874,685	168,396,770
Later than one year and not later than five years	214,812,685	749,964,438
Later than five years	51,31,293	12,780,933

### 3.5 Earnings per share

Particulars	2014-15	2013 -14
Net Profit available for Equity Shareholders (₹)	56,270,319	58,390,567
Weighted average number of Equity Shares Outstanding	4,000,007	4,000,007
Basic and diluted EPS ( ₹ )	14.07	14.60

### 3.6 Deferred Tax Liability /Asset

As per the Accounting Standard “AS 22”, the Company is required to make a provision for “deferred tax liability/ asset”. During the year an amount of ₹ 7,610,531/-has been recognized for deferred tax asset.

The balance deferred tax liability (net) outstanding as on 31.03.2015 is ₹16,359,705/- the details of which are as follows:

Particulars	As at 31.03.14	Tax effect for the year	As at 31.03.15
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
<b>Deferred Tax ( Liability)</b>			
Fixed Assets	(253.81)	76.28	(177.53)
Sub Total	(253.81)	76.28	(177.53)
<b>Deferred Tax Asset</b>			
Amortization of Land registration Charges	14.10	(0.18)	13.92
Sub Total	14.10	(0.18)	13.92
Deferred Tax Asset / ( Liability)	(239.71)	76.10	(163.61)

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### 4.ADDITIONAL INFORMATION TO FINANCIAL STATEMENTS

#### 4.1 Wind Mill

During the financial year the Company sold 9,14,071 units to Tamilnadu Electricity Board. (2014 : 10,20,467 units).

#### 4.2 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

- i) There were no dues to Small Scale Industrial undertakings to whom the Company owes any sum which is outstanding for more than 30 days.
- ii) There were no dues either principal or interest remaining unpaid to any suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, which came into force with effect from 02.10.2006 as at the end of the accounting year. Similarly, no payments have been made to the suppliers beyond the appointed day without adding interest, no interest is accrued and remaining unpaid during the year.

#### 4.3 Investments

In Others - 30,25,300 Equity shares of ₹10/- each in IG3 Infra Limited (Formerly Indian Green Grid Group Limited) fully paid up	₹ 3,02,53,000/-
	(2014: ₹ 3,02,53,000/-)
In Subsidiary Company - 1,00,000 Equity Shares of ₹10/- each in Elnet Software City Ltd fully paid up.	₹ 10,00,000/-
	(2014: ₹ 10,00,000/-)

#### 4.4 Current Liabilities

The company continues to hold the amount of ₹ 1,46,503/- (2014: ₹ 1,46,503/-) on account of Interest payable on FD made out of disputed dividend for the years 2000-01 and 2001-02.

There are no amounts due to the Central Government on account of Investor Education and Protection Fund as on 31.3.2015. The balance amount lying under the Unpaid Dividend Account 2007–2008 declared on 30.07.2008 for the year 2007-08 falls due on 28.08.2015.

#### 4.5 Statement of Profit and Loss

Electricity Expenses have been reduced to the extent of ₹ 50,38,648/- (2014 : ₹ 56,12,569/-) for sale of electricity generated from windmill. There is no impact on the statement of Profit and Loss.

**4.6 Estimated amount of liability on capital contracts as on 31.03.2015 not provided for is ₹ Nil . (Previous year ₹ Nil ).**

**4.7 Contingent Liabilities in respect of:**

**Claims against the Company not acknowledged as debt**

**i. Claim by Department of Telecommunications**

The Department of Telecommunications (DoT) filed a claim against the company for ₹ 20,82,233/- before the Sole Arbitrator in the matter of payment towards license fees and interest thereon. The Arbitrator's award was made in June 2005 according to which a sum of ₹ 5,48,288 and interest there on is payable by the company to DoT. The company accepted the award and decided to effect the payment after waiting for the appeal period. However DoT has filed an appeal in the High Court of Delhi against the Arbitrator's award. The Company accordingly recognized the total liability at ₹ 11,36,453/- as at 31.3.2015. The difference in claim amounting to ₹ 9,45,780/- is shown under "claims against the Company not acknowledged as debt".

**ii. Income Tax demand**

There is a dispute with regard to the treatment of income of the company by the Income Tax Department as "Income from House Property", whereas in the opinion of the Company, the income should be treated as "Income from Business", which has been confirmed by the Income Tax Appellate Tribunal.

In respect of Assessment Years 1996-97,1998-99,2000-01 & 2001-02, the Madras High Court has decided the case in favour of the Company. The Department has filed a special leave petition with the Supreme Court. In the event the Supreme Court reverses the order of the High Court of Madras, there will be a contingent liability of ₹ 100.58 Lakhs.

In respect of Assessment Years 2003-04, the Income Tax Department had preferred appeal before the High Court of Madras against the orders issued by the Income Tax Appellate Tribunal which was passed in favour of the company. In the event there is a reversal of the order, there will be a contingent liability of ₹ 389.22 Lakhs.

In respect of Assessment Years 2007-08 and 2009-10, the case is pending with the Commissioner of Income Tax-Appeals. The contingent liability in this regard amounts to ₹ 11.78 Lakhs.

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### iii. Service Tax:

The company received show cause notice in 2009-10 from the Office of the Commissioner of Service Tax on the applicability of service tax on Electricity charges reimbursed from the occupants including generation from Generator. As per legal opinion, the company has been advised that, it is not liable for service tax on this issue. The company has obtained an interim stay from the High Court of Madras on 28.08.2009 against the show cause notice. The above stay was modified by the High Court on 04.07.2012 based on a Supreme Court decision. As per the order, 50% of the arrears prior to 30th September 2011 to be paid and for the balance 50%, to furnish a solvent surety to the Department. The company filed a fresh Writ Petition for stay and an order was received on 9th September 2014 directing the company to represent before the Service tax department within 15 days and the same has been complied. In view of this, there is a contingent liability of ₹ 282.64 Lakhs

### iv. Lease Rent :

The Company received a communication from ELCOT claiming a sum of ₹ 9.56 crores towards difference in the computation of Lease Rent for the period from 14.02.1991 to 14.01.1999. The Company prima-facie has a strong reason that the claim is not tenable and is evaluating various options, including legal recourse. Pending any such actions no provision has been made.

Previous year's figures have been re-grouped / re-classified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

As per our report attached

**Unnamalai Thiagarajan**  
Managing Director

**G. Chellakrishna**  
Director

**K. Padmanaban**  
Director

**For S.H.Bhandari & Co**  
Chartered Accountants

**T.K.Karthik**  
Chief Financial Officer

**S.Lakshmi Narasimhan**  
Company Secretary

**Sreedhar Sreekakulam**  
Partner

M.No.026474 FRN000438S

Place : Chennai  
Date : 22.05.2015



<b>CASH FLOW STATEMENT</b>		
<b>Particulars</b>	<b>Year ended</b>	<b>Year ended</b>
	<b>31<sup>st</sup> March 2015</b>	<b>31<sup>st</sup> March 2014</b>
	<b>₹</b>	<b>₹</b>
<b>A. Cash flow from Operating Activities:</b>		
Net Profit before tax and extraordinary items	84,739,340	86,459,164
<b>Adjustments for:</b>		
Excess Income Tax provision for FY 12-13 written back	920,448	-
Depreciation	49,100,449	34,505,119
Interest & Financial Charges Paid	36,719	39,649
Expenses Written off	-	43,291
	<b>134,796,956</b>	<b>121,047,223</b>
Less : Interest Income on Fixed Deposits	(16,602,250)	(9,392,222)
Sale of Scrapped Assets	(432,299)	(345,236)
Provision written back	-	(2,759)
<b>Operating Profit Before Working Capital Changes</b>	<b>117,762,407</b>	<b>111,307,006</b>
<b>Adjustments for :</b>		
(Increase) / Decrease in Trade & Other Receivables	(6,964,892)	236,087
Increase / (Decrease) in Trade Payables & Other Liabilities	(2,916,302)	2,392,134
<b>Cash Generated from operations</b>	<b>107,881,213</b>	<b>113,935,227</b>
Income tax Net of Refunds	(29,657,705)	(30,571,682)
<b>Net Cash flow from Operating activities (A)</b>	<b>78,223,508</b>	<b>83,363,545</b>
<b>B. Cash flow from Investing Activities</b>		
Purchase of Fixed Assets	(24,184,306)	(28,312,875)
Capital Work in Progress	-	-
Proceeds from sale of Fixed Assets (net of VAT)	492,078	418,595
Interest Received on Fixed Deposits	11,221,482	7,013,823
(Increase) / Decrease in Long Term Fixed Deposits with bank	2,500,000	(15,500,000)
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(9,970,746)</b>	<b>(36,380,457)</b>

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Particulars	Year ended 31 <sup>st</sup> March 2015	Year ended 31 <sup>st</sup> March 2014
	₹	₹
<b>C. Cash flow from financing activities</b>		
Increase / (Decrease) in Compensation Deposits	5,109,034	6,837,076
Interest & Bank charges Paid	(36,719)	(39,649)
Dividend Paid ( Including dividend Tax)	(6,683,169)	(6,547,741)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(1,610,854)</b>	<b>249,686</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>66,641,908</b>	<b>47,232,774</b>
<b>Cash and cash equivalents at the beginning of the year</b>	119,328,854	72,096,080
<b>Cash and cash equivalents at the end of the year</b>	<b>185,970,762</b>	<b>119,328,854</b>

For and on behalf of the Board of Directors

As per our report attached

**Unnamalai Thiagarajan**  
Managing Director

**G. Chellakrishna**  
Director

**K. Padmanaban**  
Director

**For S.H.Bhandari & Co**  
Chartered Accountants

**T.K.Karthik**  
Chief Financial Officer

**S.Lakshmi Narasimhan**  
Company Secretary

**Sreedhar Sreekakulam**  
Partner

Place : Chennai  
Date : 22.05.2015

M.No.026474 FRN000438S

### AUDITOR'S CERTIFICATE

We have examined the above Cash Flow Statement for the year ended 31st March, 2015. The statement has been prepared by the Company in accordance with the requirements of Listing Agreement, Clause 32 with Bombay Stock Exchange is based on and in agreement with the corresponding Statement of Profit and Loss and Balance Sheet of the Company covered by our report to the members of the Company.

As per our report attached  
For **S.H. Bhandari & Co.**  
Chartered Accountants

Place : Chennai  
Date : 22.05.2015

**Sreedhar Sreekakulam**  
Partner  
M.No. 026474 FRN: 000438S

**STATEMENT PURSUANT TO SECTION 129 OF THE COMPANIES ACT, 2013  
RELATING TO SUBSIDIARY COMPANY**

<b>SI No.</b>	<b>Particulars</b>	
1	Name of the Subsidiary Company	Elnet Software City Limited
2	Financial year of the Subsidiary Company ended on	31.3.2015
3	Holding Company's Interest	
	a) No. of Shares (₹ 10/- each)	100,000
	b) Extent of holding (%)	100.00%
4	Net aggregate amount of the Subsidiary's Profit / (Losses) not dealt with in the Holding Company's accounts.	
	i) for the Subsidiary's Financial Year	NIL
	ii) for its Previous Financial Year	NIL
5	Net aggregate amount of the Subsidiary's Profit/ (Losses) dealt with in the Holding Company's accounts.	
	i) for the Subsidiary's Financial Year	NIL
	ii) for its Previous Financial Year	NIL

For and on behalf of the Board of Directors

**Unnamalai Thiagarajan**  
Managing Director

**G. Chellakrishna**  
Director

**K. Padmanaban**  
Director

**T.K.Karthik**  
Chief Financial Officer

**S.Lakshmi Narasimhan**  
Company Secretary

Place : Chennai  
Date : 22.05.2015

## **TWENTY FOURTH ANNUAL REPORT 2014 - 15**

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### **INDEPENDENT AUDITOR'S REPORT**

#### **TO THE MEMBERS OF ELNET TECHNOLOGIES LIMITED**

##### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of ELNET TECHNOLOGIES LIMITED (hereinafter referred to as "the Holding Company") and its subsidiary, Elnet Software City Limited (the Holding Company and its subsidiary together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

##### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors are responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group, in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

##### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section

143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of his report referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31st March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### **Other Matters**

a) We did not audit the financial statements of the subsidiary whose financial statements reflect total assets of ₹ 10,07,500 as at 31st March, 2015, total revenues of ₹ NIL and net cash outflows amounting to ₹ 34,220 for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub-sections (3) and (11) of

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Section 143 of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor.

b) Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor and the financial statements certified by the Management.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company and the subsidiary company incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of its subsidiary company incorporated in India, none of the directors of the Group are disqualified as on 31st March, 2015 from being appointed as directors in terms of Section 164 (2) of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group— Refer Note 4.7 to the consolidated financial statements.
- ii. According to the information and explanations given to us, the Group did not have any long term contracts including derivative contracts and accordingly no provision for any material foreseeable losses has been made.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company, incorporated in India.

#### **Annexure to the Independent Auditor's Report on The Consolidated Financial Statements**

The Annexure referred to in our Independent Auditors' Report on the Consolidated Financial Statement to the members of the Group for the year ended 31st March 2015, we report that :

- (i) (a) The Group, wherever applicable has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) The Group, wherever applicable has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (ii) The Group does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable.
- (iii) (a) The Group has not granted any loans secured or unsecured to any bodies corporate, firms and other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Thus, paragraph 3(iii) of the Order is not applicable.
- (iv) According to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Group and the nature of its business with regard to purchase of fixed assets and sale of services. The activities of the Group do not involve purchase of inventory and the sale of goods. We have not observed any major weakness in the internal control system during the course of the audit.
- (v) According to the information and explanations given to us, the Group has not accepted any deposits from the public.

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- (vi) We have broadly reviewed the books of accounts maintained by the Group wherever applicable pursuant to sub-section (1) of section 148 of Companies Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Group wherever applicable, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, value added tax, cess and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no material dues of wealth tax and cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following are the particulars of income tax and service tax dues that have not been deposited with the appropriate authorities on account of disputes as on 31 March 2015, wherever applicable:

Name Of the Statute	Nature of the dues	Period [A.Y]	Amount (In Rs.)	Forum where dispute is pending
Income-tax Act, 1961	Income Tax	2007-2008	11,30,593	Commissioner of Income Tax (Appeals)
Income-tax Act, 1961	Income Tax	2009-2010	47,475	Commissioner of Income Tax (Appeals)
Finance Act, 1994	Service tax on Electricity	Notice 276/2011 dtd 19.07.2011	22,71,949	Office of the Commissioner of Service Tax, Chennai
Finance Act, 1994	Service tax on Electricity	Notice 758/2010 dtd 23.11.2010	20,45,540	Office of the Commissioner of Service Tax, Chennai



Finance Act, 1994	Service tax on Electricity	Notice 342/2010 dtd 20.05.2010	27,66,385	Office of the Commissioner of Service Tax, Chennai
Finance Act, 1994	Service tax on Electricity	Notice 202/2010 dtd 15.04.2010	47,38,839	Office of the Commissioner of Service Tax, Chennai
Finance Act, 1994	Service Tax on Electricity	Notice 88/2009 dtd 27.03.2009	1,21,40,756	Office of the Commissioner of Service Tax, Chennai
Finance Act, 1994	Service Tax on Electricity	Notice 75/2013 dtd 09.04.2013	43,01,070	Office of the Commissioner of Service Tax, Chennai

- (c) According to the information and explanations given to us the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has been transferred to such fund within time wherever applicable.
- (viii) The Group does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (ix) The Group did not have any outstanding dues to financial institutions, banks or debenture holders during the year.
- (x) According to the information and the explanations given to us, the Group has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) The Group did not have any term loans outstanding during the year.
- (xii) According to the information and explanations given to us, no material fraud on or by the Group has been noticed or reported during the course of our audit.

For **S.H. Bhandari & Co.**  
Chartered Accountants

Place : Chennai  
Date : 22.05.2015

**Sreedhar Sreekakulam**  
Partner  
M.No. 026474 FRN: 000438S

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<b>CONSOLIDATED BALANCE SHEET</b>			
<b>Particulars</b>	<b>Note No.</b>	<b>As at 31<sup>st</sup> March, 2015 ₹</b>	<b>As at 31<sup>st</sup> March, 2014 ₹</b>
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share Capital	1	40,000,070	40,000,070
(b) Reserves and surplus	2	433,735,804	389,921,253
		<b>473,735,874</b>	<b>429,921,323</b>
<b>2 Non-current Liabilities</b>			
(a) Long-term Borrowings	3	42,633,883	42,633,883
(b) Deferred tax Liabilities (net)	22(3.6)	16,359,705	23,970,236
(c) Other Long-term Liabilities	4	124,486,584	119,456,815
(d) Long-term Provisions	5	1,325,389	356,582
		<b>184,805,561</b>	<b>186,417,516</b>
<b>3 Current Liabilities</b>			
(a) Trade Payables	6	596,079	4,199,543
(b) Other Current Liabilities	7	3,849,918	3,622,860
(c) Short-term Provisions	8	7,932,812	8,305,379
		<b>12,378,809</b>	<b>16,127,782</b>
<b>TOTAL</b>		<b>670,920,244</b>	<b>632,466,921</b>
<b>B ASSETS</b>			
<b>1 Non-current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	9(i)	383,032,859	413,691,300
(ii) Intangible Assets	9(ii)	-	33,210
(iii) Capital work-in-progress	9(iii)	339,682	305,462
		<b>383,372,541</b>	<b>414,029,972</b>
(b) Non-current Investments	10	30,253,000	30,253,000
(c) Long-term Loans and Advances	11	18,542,220	25,769,701
(d) Other Non Current Assets	12	13,040,652	15,540,652
		<b>61,835,872</b>	<b>71,563,353</b>
<b>2 Current Assets</b>			
(a) Trade Receivables	13	18,315,059	17,136,539
(b) Cash and cash Equivalent	14	186,597,928	119,990,240
(c) Short-term Loans and Advances	15	7,667,841	2,640,839
(d) Other Current Assets	16	13,131,003	7,105,678
		<b>225,711,831</b>	<b>146,876,797</b>
<b>TOTAL</b>		<b>670,920,244</b>	<b>632,466,921</b>
Significant Accounting Policies and Explanatory Statement	22		

Note 22 is an integral part of these financial statements

For and on behalf of the Board of Directors

As per our Report attached

**Unnamalai Thiagarajan**  
Managing Director

**G. Chellakrishna**  
Director

**K. Padmanaban**  
Director

**For S.H.Bhandari & Co**  
Chartered Accountants

**T.K.Karthik**  
Chief Financial Officer

**S.Lakshmi Narasimhan**  
Company Secretary

**Sreedhar Sreekakulam**  
Partner

Place : Chennai  
Date : 22.05.2015

M.No.026474 FRN000438S

<b>CONSOLIDATED STATEMENT OF PROFIT AND LOSS</b>			
Particulars	Note No.	For the	For the
		year ended 31 <sup>st</sup> March, 2015 ₹	year ended 31 <sup>st</sup> March, 2014 ₹
<b>A CONTINUING OPERATIONS</b>			
1 Revenue from Operations	17	214,771,023	215,618,933
2 Other Income	18	18,233,339	9,760,784
3 Total Revenue		<b>233,004,362</b>	<b>225,379,717</b>
4 Expenses			
(a) Employee Benefits Expense	19	15,416,395	13,942,452
(b) Finance costs	20	36,719	39,649
(c) Depreciation and Amortisation Expense	9	49,100,449	34,505,119
(d) Other Expenses	21	83,711,459	90,433,333
Total Expenses		<b>148,265,022</b>	<b>138,920,553</b>
<b>5 Profit / (Loss) before tax</b>		<b>84,739,340</b>	<b>86,459,164</b>
6 Tax Expense:			
(a) Current Tax Expense for current year		37,000,000	30,500,000
(b) Deferred Tax		(7,610,531)	(2,431,403)
		29,389,469	28,068,597
<b>7 Profit / (Loss) for the year</b>		<b>55,349,871</b>	<b>58,390,567</b>
Excess Provision written back		920,448	-
		<b>56,270,319</b>	<b>58,390,567</b>
8 Earnings per share (of face value of ₹ 10/- each):			
Basic & Diluted	22(3.5)	14.07	14.60
Significant Accounting Policies and Explanatory Statement	22		

Note 22 is an intergral part of these financial statements

For and on behalf of the Board of Directors

**Unnamalai Thiagarajan**  
Managing Director

**G. Chellakrishna**  
Director

**K. Padmanaban**  
Director

As per our Report attached

**For S.H.Bhandari & Co**  
Chartered Accountants

**T.K.Karthik**  
Chief Financial Officer

**S.Lakshmi Narasimhan**  
Company Secretary

**Sreedhar Sreekakulam**  
Partner

Place : Chennai  
Date : 22.05.2015

M.No.026474 FRN000438S

## TWENTY FOURTH ANNUAL REPORT 2014 - 15

### NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

#### NOTE 1 SHARE CAPITAL

Particulars	As at 31 <sup>st</sup> March, 2015		As at 31 <sup>st</sup> March, 2014	
	Number of shares	₹	Number of shares	₹
<b>(a) Authorised</b>				
Equity shares of ₹ 10/- each with voting rights	5,000,000	50,000,000	5,000,000	50,000,000
<b>(b) Issued</b>				
Equity shares of ₹ 10/- each with voting rights	4,000,007	40,000,070	4,000,007	40,000,070
<b>(c) Subscribed and fully paid up</b>				
Equity shares of ₹ 10/- each with voting rights	4,000,007	40,000,070	4,000,007	40,000,070
<b>Total</b>	<b>4,000,007</b>	<b>40,000,070</b>	<b>4,000,007</b>	<b>40,000,070</b>

#### Note: Terms and rights attached to equity shares

(a) The company has only one class of Equity shares having value of ₹ 10 each

(b) Each holder of Equity shares is entitled to one vote per share

(c) Dividend proposed by the Board of Directors is subject to the approval of the share holders in the ensuing Annual General Meeting except in the case of interim dividend

#### Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Closing Balance
<b>Equity shares with voting rights</b>		
Year ended 31st March, 2015		
- Number of shares	4,000,007	4,000,007
- Amount (₹)	40,000,070	40,000,070
Year ended 31st March, 2014		
- Number of shares	4,000,007	4,000,007
- Amount (₹)	40,000,070	40,000,070

(ii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 <sup>st</sup> March, 2015		As at 31 <sup>st</sup> March, 2014	
	Number of shares held	% Holding in that class of shares	Number of shares held	% Holding in that class of shares
<b>Equity shares with voting rights</b>				
Electronics Corporation of Tamil Nadu Ltd	1,040,006	26.00%	1,040,006	26.00%
Stur Technologies Pvt Ltd	450,000	11.25%	450,000	11.25%
Southern Projects Management Pvt Ltd	254,371	6.36%	254,371	6.36%
Shanmugam Thiagarajan	369,483	9.24%	-	-
Shanmugham Thiagarajan	-	-	369,483	9.24%

<b>NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS</b>		
<b>NOTE 2 : RESERVES AND SURPLUS</b>		
<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2015 ₹</b>	<b>As at 31<sup>st</sup> March, 2014 ₹</b>
<b>(a) General reserve</b>		
Opening balance	236,905,976	216,905,976
Add : Transferred from surplus in Statement of Profit and Loss	20,000,000	20,000,000
Less: Depreciation under transitional provisions of the Companies Act, 2013	5,715,728	-
<b>Closing balance</b>	<b>251,190,248</b>	<b>236,905,976</b>
<b>(b) Other reserve</b>		
<b>(i) Opening balance: Subsidy from SIPCOT</b>	2,575,000	2,575,000
<b>Closing balance</b>	<b>2,575,000</b>	<b>2,575,000</b>
<b>(ii) Surplus in Statement of Profit and Loss</b>		
<b>Opening balance</b>	150,440,277	118,601,442
Add : Profit for the year - Amounts Transferred from Statement of Profit and Loss	56,270,319	58,390,567
Less : <b>Final Dividend</b>		
Dividend proposed to be distributed & Distributed to equity sharholders (₹1.40 per share respectively)	5,600,010	5,600,010
Tax on Dividend	1,140,030	951,722
Less : <b>Transferred to General Reserve</b>	20,000,000	20,000,000
<b>Closing balance</b>	<b>179,970,556</b>	<b>150,440,277</b>
<b>Total</b>	<b>433,735,804</b>	<b>389,921,253</b>

<b>NOTE 3 : LONG-TERM BORROWINGS</b>		
<b>(a) Loans and advances from related parties</b>		
Unsecured	42,633,883	42,633,883
<b>Total</b>	<b>42,633,883</b>	<b>42,633,883</b>

No Specific Terms and Conditions

## TWENTY FOURTH ANNUAL REPORT 2014 - 15

<b>Details of Terms of Repayment for the other Long-Term Borrowings and Security provided in respect of the secured other Long-Term Borrowings:</b>					
<b>Particulars</b>	<b>Nature of the person</b>	<b>As at 31<sup>st</sup> March, 2015</b>		<b>As at 31<sup>st</sup> March, 2014</b>	
		<b>Secured ₹</b>	<b>Unsecured ₹</b>	<b>Secured ₹</b>	<b>Unsecured ₹</b>
<b>Loans and advances from related parties:</b>					
Shanmugham Thiagarajan	Spouse of Managing Director	-	36,624,742	-	36,624,742
Stur Technologies Pvt Ltd.,	Promoter	-	6,009,141	-	6,009,141
<b>Total - Loans and advances from related parties</b>		<b>-</b>	<b>42,633,883</b>		<b>42,633,883</b>

<b>NOTE 4 : OTHER LONG-TERM LIABILITIES</b>	<b>As at 31<sup>st</sup> March, 2015 ₹</b>	<b>As at 31<sup>st</sup> March, 2014 ₹</b>
<b>(a) Others:</b>		
(i) Trade / security deposits received	776,224	855,489
(ii) Others : Compensation deposits and Token Deposits	123,710,360	118,601,326
<b>Total</b>	<b>124,486,584</b>	<b>119,456,815</b>

<b>NOTE 5 : LONG-TERM PROVISIONS</b>		
<b>(a) Provision - Others:</b>		
(i) Provision - Bad debts	356,582	356,582
(ii) Provision for Compensated Absences	968,807	-
<b>Total</b>	<b>1,325,389</b>	<b>356,582</b>

<b>NOTE 6 : TRADE PAYABLES</b>		
<b>Trade payables:</b>		
Trade payables	596,079	4,199,543
<b>Total</b>	<b>596,079</b>	<b>4,199,543</b>

<b>NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS</b>		
<b>NOTE 7 : OTHER CURRENT LIABILITIES</b>	<b>As at 31<sup>st</sup> March, 2015 ₹</b>	<b>As at 31<sup>st</sup> March, 2014 ₹</b>
<b>(a) Unpaid dividends</b>	2,099,924	2,231,361
<b>(b) Other payables</b>		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, VAT, Service Tax, etc.)	467,038	141,440
(ii) Department of Telecommunication, Interest on Disputed Dividend	1,282,956	1,250,059
<b>Total</b>	<b>3,849,918</b>	<b>3,622,860</b>

<b>NOTE 8 : SHORT-TERM PROVISIONS</b>		
<b>(a) Provision for employee benefits:</b>		
(i) Provision for Bonus & Ex-Gratia	1,095,295	987,351
(ii) Provision for compensated absences	97,477	740,076
(iii) Provision for gratuity	-	26,220
Sub-total	<b>1,192,772</b>	<b>1,753,647</b>
<b>(b) Provision - Others:</b>		
(i) Provision for proposed equity dividend	5,600,010	5,600,010
(ii) Provision for tax on proposed dividends	1,140,030	951,722
Sub-total	<b>6,740,040</b>	<b>6,551,732</b>
<b>Total</b>	<b>7,932,812</b>	<b>8,305,379</b>

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<b>NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS</b>													
<b>NOTE 9 (i) TANGIBLE ASSETS</b>													
Asset Group	Gross Block						Depreciation / Amortisation					Net Block	
	Assets as on 31st March 2014	Addition During the year	Deletion During the year	Assets as on 31st March 2015	Dep. as at 31st March 2014	Dep. for the Year	Dep. on Deletions	Dep. as at 31st March 2015	Transition Adjustment (Refer Note )	Balance as at 31st March 2015	Balance as at 31st March 2014	(Amount in ₹)	
Land	2,348,620	-	-	2,348,620	-	-	-	-	-	2,348,620	2,348,620		
Lease Hold Land	115,041,537	-	-	115,041,537	4,716,280	-	-	4,716,280	-	110,325,257	110,325,257		
Building	224,295,155	2,073,236	-	226,368,391	48,817,894	6,416,808	-	55,234,702	3,379,932	167,753,757	175,477,261		
Plant & Machinery	30,736,237	143,917	-	30,880,154	9,467,782	4,139,765	-	13,607,547	537,754	16,734,853	21,268,455		
Wind Mill	27,625,000	-	-	27,625,000	27,139,950	485,050	-	27,625,000	-	-	485,050		
Electrical Fittings	65,091,055	5,420,980	-	70,512,035	30,079,208	13,543,156	-	43,622,364	986,548	25,903,123	35,011,847		
Furniture & Fixture	31,294,080	8,421,208	-	39,715,268	25,789,425	3,207,331	-	28,996,756	-	10,718,512	5,504,635		
Fitouts	66,807,000	4,072,297	-	70,879,297	26,258,172	16,848,984	-	43,107,156	-	27,772,141	40,548,828		
Computers	1,044,653	169,455	-	1,214,108	494,262	331,022	-	825,284	8,108	380,716	550,391		
Air Conditioners	24,443,353	1,807,637	450,000	25,800,990	15,614,950	1,728,890	450,000	16,893,840	770,176	8,136,974	8,828,403		
UPS	10,256,996	-	-	10,256,996	10,187,205	36,467	-	10,223,672	-	33,324	69,791		
Others	15,522,997	996,789	746,368	15,773,418	15,043,920	257,786	746,368	14,555,338	-	1,218,080	479,077		
Xerox Machine	332,620	-	-	332,620	37,289	116,315	-	153,604	-	179,016	295,331		
Multi Level Car Park	20,348,801	-	-	20,348,801	9,063,429	1,509,882	-	10,573,311	-	9,775,490	11,285,372		
Vehicles	3,697,130	1,078,787	2,608,496	2,167,421	2,484,148	478,993	2,548,716	414,425	-	1,752,996	1,212,982		
<b>Total</b>	<b>638,885,214</b>	<b>24,184,306</b>	<b>3,804,864</b>	<b>659,264,656</b>	<b>225,193,914</b>	<b>49,100,449</b>	<b>3,745,084</b>	<b>270,549,279</b>	<b>5,682,518</b>	<b>383,032,859</b>	<b>413,691,300</b>		
<b>Total of Previous Year</b>	<b>612,232,331</b>	<b>28,312,874</b>	<b>1,659,991</b>	<b>638,885,214</b>	<b>192,362,204</b>	<b>34,418,341</b>	<b>1,586,632</b>	<b>225,193,914</b>	<b>-</b>	<b>413,691,300</b>	<b>-</b>		



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 9 (ii) INTANGIBLE ASSETS

(Amount in ₹)

ASSET GROUP	GROSS BLOCK				DEPRECIATION / AMORTISATION					NET BLOCK	
	Assets as on 31st March 2014	Addition During the year	Deletion During the year	Assets as on 31st March 2015	Dep. as at 31st March 2014	Dep. for the Year	Dep. on Deletions	Dep. as at 31st March 2015	Transition Adjustment (Refer Note)	Balance as at 31st March 2015	Balance as at 31st March 2014
Computer Software	506,242	-	-	506,242	473,032	-	-	473,032	33,210	-	33,210
<b>Total</b>	<b>506,242</b>	<b>-</b>	<b>-</b>	<b>506,242</b>	<b>473,032</b>	<b>-</b>	<b>-</b>	<b>473,032</b>	<b>33,210</b>	<b>-</b>	<b>33,210</b>
<b>Total Of Previous Year</b>	<b>506,242</b>	<b>-</b>	<b>-</b>	<b>506,242</b>	<b>386,254</b>	<b>86,778</b>	<b>-</b>	<b>473,032</b>	<b>-</b>	<b>33,210</b>	<b>-</b>

### NOTE 9 (iii) CAPITAL WORK IN PROGRESS

Capital Work In Progress	305,462	34,220	-	339,682	-	-	-	-	-	339,682	305,462
<b>Total</b>	<b>305,462</b>	<b>34,220</b>	<b>-</b>	<b>339,682</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>339,682</b>	<b>305,462</b>
<b>Total Of Previous Year</b>	<b>271,944</b>	<b>33,518</b>	<b>-</b>	<b>305,462</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>305,462</b>	<b>-</b>

**Note :** During the year ended 31 March 2015, in respect of Assets for which useful life has been adopted in line with Schedule II of Companies Act, 2013, depreciation is higher by ₹ 14,677,842/-. For Fixed Assets that have completed its useful life as of 1st April, 2014, the net residual value of ₹ 5,715,728/- has been adjusted to General Reserves in complying with the transitional provisions specified in Schedule -II.

### NOTE 10 : NON-CURRENT INVESTMENTS

Particulars	As at 31 <sup>st</sup> March, 2015		As at 31 <sup>st</sup> March, 2014	
	Quoted	Unquoted	Quoted	Unquoted
<b>Investments (At cost):</b>	₹	₹	₹	₹
(i) Others				
30,25,300 Equity Shares (As at 31st March 2014: 30,25,300) of ₹ 10 each fully paid up in IG3 Infra Ltd (Formerly known as Indian Green Grid Group Ltd)	-	30,253,000	-	30,253,000
<b>Total</b>	<b>-</b>	<b>30,253,000</b>	<b>-</b>	<b>30,253,000</b>
				<b>30,253,000</b>

Aggregate amount of unquoted investments ₹ 3,02,53,000

## TWENTY FOURTH ANNUAL REPORT 2014 - 15

<b>NOTES FORMING PART OF THE FINANCIAL STATEMENTS</b>			
<b>NOTE 11 : LONG-TERM LOANS AND ADVANCES</b>			
<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2015 ₹</b>		<b>As at 31<sup>st</sup> March, 2014 ₹</b>
<b>(a) Security deposits</b> Unsecured, considered good		3,970,741	3,683,057
<b>(b) Loans and advances to employees</b> Unsecured, considered good		20,762	16,846
<b>(c) Balance with Revenue Authorities</b> Advance Income Tax {Net of provision for Tax for current year - ₹ 3,70,00,000 (Previous year ₹3,05,00,000)}	1,014,162		71,682
Net Off Advance Tax, TDS & Provision for Tax of previous years	13,426,854		21,711,629
Unsecured, considered good		14,441,016	
<b>(d) CENVAT credit receivable</b> Secured, considered good		109,701	286,487
<b>Net Total</b>		<b>18,542,220</b>	<b>25,769,701</b>
<b>NOTE 12 : NON CURRENT ASSETS</b>			
<b>Other Non Current Assets</b>			
<b>(i) Other Bank Balances</b> (Bank Deposits with more than 12 months maturity)		13,000,000	15,500,000
(ii) Miscellaneous Expenses not written off		40,652	40,652
<b>Total</b>		<b>13,040,652</b>	<b>15,540,652</b>
<b>NOTE 13 : TRADE RECEIVABLES</b>			
<b>Trade receivables outstanding for a period exceeding six months from the date they were due for payment</b>		-	-
<b>Other Trade Receivables</b> Secured, considered good		18,315,059	17,136,539
<b>Total</b>		<b>18,315,059</b>	<b>17,136,539</b>

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 14 : CASH AND CASH EQUIVALENTS**

Particulars	As at 31 <sup>st</sup> March, 2015 ₹	As at 31 <sup>st</sup> March, 2014 ₹
<b>(a) Cash on hand</b>	40,063	46,070
<b>(b) Balances with banks</b>		
(i) In current accounts	1,957,941	3,212,809
(ii) In deposit accounts	182,500,000	114,500,000
(iii) Un paid dividend accounts	2,099,924	2,231,361
<b>Total</b>	<b>186,597,928</b>	<b>119,990,240</b>

**NOTE 15 : SHORT-TERM LOANS AND ADVANCES**

<b>(a) Capital Advances</b>		
Unsecured, Considered good	4,300,000	-
<b>(b) Loans and advances to employees</b>		
Unsecured, considered good	90,367	165,285
<b>(c) Advances to Suppliers</b>		
Unsecured, considered good	3,600	137,581
<b>(d) Prepaid expenses - Unsecured, considered good</b>	2,917,292	1,981,391
<b>(e) Others - Unsecured, doubtful</b>	356,582	356,582
<b>Total</b>	<b>7,667,841</b>	<b>2,640,839</b>

**NOTE 16 : OTHER CURRENT ASSETS**

<b>(a) Accruals</b>		
(i) Interest accrued but not due on deposits	11,740,829	6,360,060
<b>(b) Stores Stock</b>	1,115,960	745,618
<b>(c) Others</b>		
(i) Others (Gratuity Fund - Excess of fair value of plan assets over present value of obligations) - Refer Note # 22 - 3.1 (ii)	274,214	-
<b>Total</b>	<b>13,131,003</b>	<b>7,105,678</b>

## TWENTY FOURTH ANNUAL REPORT 2014 - 15

<b>NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS</b>		
<b>NOTE 17 : REVENUE FROM OPERATIONS</b>		
<b>Particulars</b>	<b>For the year ended 31<sup>st</sup> March, 2015 ₹</b>	<b>For the year ended 31<sup>st</sup> March, 2014 ₹</b>
<b>Sale of Services comprises</b>		
(a) Compensation Income	162,364,656	156,827,033
(b) Other operating revenues	52,406,367	58,791,900
<b>Total</b>	<b>214,771,023</b>	<b>215,618,933</b>
<b>NOTE 18 : OTHER INCOME</b>		
(a) Interest income (Refer Note (i) below)	17,625,504	9,402,732
(b) Other non-operating income (net of expenses directly attributable to such income) (Refer Note (ii) below)	607,835	358,052
<b>Total</b>	<b>18,233,339</b>	<b>9,760,784</b>
<b>Note</b>		
(i) Interest income comprises:		
On Deposits	16,602,250	9,392,222
On loans to Employees	5,332	10,510
On IT Refund	1,017,922	-
<b>Total - Interest income</b>	<b>17,625,504</b>	<b>9,402,732</b>
(ii) Other non-operating income comprises:		
Profit on sale of fixed assets	432,299	345,236
Other Receipts	175,536	12,816
<b>Total - Other non-operating income</b>	<b>607,835</b>	<b>358,052</b>
<b>NOTE 19 : EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and wages	13,827,940	12,582,464
Contributions to provident and other funds	679,662	654,214
Staff welfare expenses	908,793	705,744
<b>Total</b>	<b>15,416,395</b>	<b>13,942,452</b>

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 20 : FINANCE COSTS**

Particulars	For the year ended 31 <sup>st</sup> March, 2015 ₹	For the year ended 31 <sup>st</sup> March, 2014 ₹
<b>Interest expense on:</b>		
(i) Borrowings	-	-
(ii) Others	36,719	39,649
<b>Total</b>	<b>36,719</b>	<b>39,649</b>

**NOTE 21 : OTHER EXPENSES**

Electricity (Refer Note 22-4.5)	24,103,024	17,702,047
Diesel	18,351,613	29,121,730
Water	1,939,750	1,486,139
Rent including lease rentals	1	1
Repairs and maintenance - Buildings	16,285,388	19,932,040
Repairs and maintenance - Machinery	3,647,899	4,166,451
Repairs and maintenance - Others	9,659,569	10,422,220
Insurance	1,132,410	936,477
Rates and taxes	2,596,968	2,435,542
Communication	487,593	565,416
Travelling and conveyance	526,216	452,721
Printing and stationery	467,222	414,277
Business promotion	503,113	534,605
Legal and professional	557,914	572,035
Payments to auditors (Refer Note (i) below)	475,000	421,350
Sitting Fees	735,000	539,000
Bad Debts	5,672	-
CSR Contribution	1,535,000	-
Miscellaneous expenses	702,107	731,282
<b>Total</b>	<b>83,711,459</b>	<b>90,433,333</b>
<b>Note</b>		
<b>Payments to the auditors comprises</b>		
As auditors - statutory audit	325,000	280,900
For taxation matters	75,000	67,415
For other services	75,000	73,035
<b>Total</b>	<b>475,000</b>	<b>421,350</b>

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### **NOTE 22: SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY STATEMENT**

#### **BASIS OF CONSOLIDATION**

The consolidated financial statements comprise of financial statements of Elnet Technologies Limited and its subsidiary company, Elnet Software City Limited. These consolidated financial statements have been prepared in accordance with AS 21 – Consolidated Financial statements issued by the Institute of Chartered Accountants of India.

#### **1. GENERAL INFORMATION**

Elnet Technologies Limited (ETL) was incorporated in August 1990 as a Public Limited Company which is situated in the IT corridor, Rajiv Gandhi Salai, Taramani, Chennai. ETL's core competence is to develop and manage Software Technology Park. ETL has pioneered the concept of Software Technology Park in India and also providing infrastructure to IT and ITES.

#### **2. SIGNIFICANT ACCOUNTING POLICIES**

##### **2.1 Basis of Preparation of Financial Statements**

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles ( GAAP ) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ("Act") read with Rule 7 of the Companies ( Accounts ) Rules 2014, the provisions of the Act ( to the extent notified ) and guidelines issued by the Securities and Exchange Board of India ( SEBI ). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

##### **2.2 Accounting Estimates**

The preparation of financial statements in conformity with the generally accepted accounting principles {GAAP} requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any difference between the actual result and estimates are recognized in the period in which the results are known / materialize. Any revision to accounting estimates is recognized prospectively in current and future periods.

### **2.3 Revenue Recognition**

Compensation Income and Electricity Income are accounted on accrual basis as and when they are due on monthly basis.

Interest Income is also accounted on accrual basis.

Income from Windmill is taken on a monthly basis upon credit given by Tamil Nadu Electricity Board for the units generated and supplied.

### **2.4 Fixed Assets and Intangibles**

Fixed Assets are stated at historical cost less accumulated depreciation. Historical Cost includes expenditure of capital nature and valued at cost of acquisition inclusive of freight, duties, taxes, incidental charges relating to the acquisition and the cost of installation / erection as applicable. In respect of construction of assets forming part of expansion project, directly attributable costs including financing costs relating to specific borrowings are also capitalized.

Advances paid towards acquisition of fixed assets and cost of assets not put to use before the year end are shown under Capital Work – in – Progress.

Land Lease deposit has also been shown under “Lease Hold Land” and not amortized over the period of lease, as the deposit is refundable after the expiry of period of 90 years

Land Lease registration charges has been shown under “Lease Hold Land” and amortized over a period of ten years

The Company has classified Accounting Software as Intangible.

### **2.5 Impairment of Assets**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged for when the asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount

### **2.6 Depreciation**

Depreciation on tangible assets are provided on Straight Line Method over the useful life of the assets.

- a) In respect of the following assets, the management, based on internal assessment and evaluation, estimates the useful life as follows:

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Particulars of Assets	Useful Life ( in years )
Fitouts	4.00
Furniture & Fixture	4.00
Multi Level Car Park	13.50
Office Equipments	4.00
Vehicle – Car	4.00

- b) In respect of other assets, the useful life as provided under Schedule II of the Companies Act, 2013 is considered.
- c) Residual value for all assets is considered as Nil

### 2.7 Investments

Investments are held as long term and are stated at Cost.

### 2.8 Borrowing Costs

Borrowing costs, that are attributable to the construction of a qualifying asset, forming part of the expansion project or otherwise are capitalized as part of such assets till such time where the assets are ready for its intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale.

### 2.9 Employee benefits

#### i) Post –Employment Benefit Plans

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognized in full in the Statement of Profit and Loss for the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested, and otherwise is amortized on straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognized in the balance sheet represents the present value of the defined obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.



## **ii) Short-term Employee Benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period when the employee renders the service.

### **2.10 Taxation**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT), if any, is paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

### **2.11 Earnings Per Share**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

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Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

### **2.12 Provisions and contingencies**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the additional information to financial statements.

### **2.13 Service Tax Input Credit**

Service Tax input credit is accounted for in the books in the period in which the underline service received is accounted and when there is no uncertainty in availing/utilizing the credits.

## **3. EXPLANATORY STATEMENT**

### **3.1 Retirement benefits to employees**

#### **(i) Defined Contribution Plan**

##### **Provident fund**

In respect of defined contributions schemes, contributions to Provident Fund and Family Pension they are charged to the statement of Profit and Loss as incurred.

#### **(ii) Defined benefit plan**

##### **Gratuity**

The Company provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the

tenure of employment. Vesting occurs upon completion of five years of service. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as of the balance sheet date, based upon which, the company contributes all the ascertained liabilities to the Elnet Technologies Ltd Employees' Gratuity Fund Trust (the "Trust"). Trustees administer contributions by means of a group gratuity policy with Life Insurance Corporation of India.

The following table sets out the status of the gratuity plan as required under AS 15:

**Change in benefit obligations (Fully Funded)**

Particulars	Gratuity Plan 31.3.2015	Gratuity Plan 31.3.2014
	₹ in Lakhs	₹ in Lakhs
Projected benefit obligation at beginning of the year	19.64	16.44
Service Cost	1.01	1.82
Interest cost	1.57	1.32
Actuarial (gain)/loss	(0.29)	0.06
Benefits paid	-	-
Projected benefit obligation, end of the year	21.93	19.64

**Change in plan assets:**

Particulars	Gratuity Plan 31.3.2015	Gratuity Plan 31.3.2014
	₹ in Lakhs	₹ in Lakhs
Plan assets at beginning of the year at fair value	19.38	16.87
Expected return on plan assets	1.97	1.53
Actuarial (gain)/loss	-	-
Employer's Contributions	3.33	0.98
Benefits paid	-	-
Plan assets at end of the year at fair value	24.67	19.38

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### Reconciliation of present value of the obligation and the fair value of the plan assets

Particulars	31.3.2015	31.3.2014
	₹ in Lakhs	₹ in Lakhs
Fair value of plan assets at the end of the year	24.67	19.38
Present value of the defined benefit obligations at the end of the period	21.93	19.64
( Liability ) / Asset	2.74	(0.26)

### Gratuity cost for the year ended March 31 2015

Particulars	Gratuity Plan 31.03.2015	Gratuity Plan 31.03.2014
	₹ in Lakhs	₹ in Lakhs
Service cost	1.01	1.82
Interest cost	1.57	1.32
Expected return on plan assets	(1.97)	(1.53)
Actuarial (gain)/ loss	(0.29)	0.06
Net cost	0.32	1.67

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	Year ended 31.3.2015	Year ended 31.3.2014
Investment with Insurer	100%	100%
Actual return on plan assets (Based on interest rate declared by the insurer )	8.75%	8.75%

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

**Investment details of plan assets :**

Deposited with Life Insurance Corporation of India (Group gratuity policy).

Assumptions

Particulars	Gratuity Plan 31.03.2015	Gratuity Plan 31.03.2014
Discount rate	8%	8%
Salary escalation rate	6%	5%
Expected employers contribution next year ( ₹ )	75,000	1,75,000

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**iii Leave encashment**

The employees of the Company are entitled to compensated absence. The employees can carry forward a portion of the unutilized accrued compensated absence and utilize it in future periods or receive cash compensation at retirement or termination of employment for the unutilized accrued compensated absence for a maximum of 180 days. The Company records an obligation for compensated absences in the period in which the employee renders the services that increase this entitlement. The Company measures the expected cost of compensated absence as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date based on actuarial valuations which is non funded.

Effective this year, the company measured leave encashment liability based on actuarial valuation as against providing such liability on estimated basis as short term liability until the previous year.

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<b>Change in benefit obligations (Non Funded)</b>	<b>Leave Encashment 31.3.2015</b>
<b>Particulars</b>	<b>₹ in Lakhs</b>
Projected benefit obligation at beginning of the year	7.40
Service Cost	3.67
Interest cost	0.47
Actuarial (gain)/loss	2.00
Benefits paid	(2.89)
Projected benefit obligation, end of the year	10.65

<b>Particulars</b>	<b>Leave Encashment 31.03.2015</b>
	<b>₹ in Lakhs</b>
Service cost	3.67
Interest cost	0.47
Actuarial (gain)/ loss	2.00
Net cost	6.14

Assumptions :

Interest ( Discount Rate ) Liability - 8%

Salary Escalation rate ( p.a ) - 12%

Resignation Rate ( p.a ) – 10%

Accumulated leave, which is expected to be utilized within the next 12 months, treated as short-term employee benefits.

**3.2 Segment wise reporting as per standard AS 17 is not applicable to the company as the company collects only compensation from its tenants.**

### 3.3 Related Party Transactions

#### Related Party Disclosures

<b>I. Name of the related party</b>	<b>Electronics Corporation of Tamil Nadu Ltd (ELCOT)</b>
Description of the relationship between the parties	Joint venture partner holding 26% Equity capital of the company
Description of the nature of transaction	Lease of land presently occupied by the Company. 1. Land Lease Rentals. 2. Web hosting charges. 3. Sitting fees.
Volume of transactions	1. ₹1/- towards lease rent. (2014: ₹1/-) 2. Web hosting charges ₹8,427/-. (2014 : ₹ 8,427/-) 3. Sitting fees ₹119,000. (2014: ₹ 77,000)
Any other element of the transaction necessary for understanding the transaction	Nil
Amount outstanding at the balance sheet date	₹11,03,25,257 (2014: ₹11,03,25,257)
Amount written back during the year	Nil

<b>II Name of the related party</b>	<b>Elnet Software City Limited</b>
Description of the relationship between the parties	Subsidiary Company
Description of the nature of transaction	Investment in equity shares
Volume of transactions	NIL
Any other element of the transaction necessary for understanding the transaction	None
Amount outstanding at the balance sheet date	NIL
Amount written back during the year	NIL

<b>III Name of the related party</b>	<b>IG3 Infra Ltd (Formerly Indian Green Grid Group Ltd)</b>
Description of the relationship between the parties	A company in which Managing Director is also the Managing Director
Description of the nature of transaction	Investment in equity shares
Volume of transactions	Nil (2014: Nil )
Any other element of the transaction necessary for understanding the transaction	None
Amount outstanding at the balance sheet date	NIL
Amount written back during the year	NIL

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<b>IV Name of the related party</b>	<b>Stur Technologies Pvt Ltd., (Formerly New Era Technologies Pvt Ltd)</b>
Description of the relationship between the parties	Promoter
Description of the nature of transaction	(a) The unsecured loan from the company to the tune of ₹ 60,09,141/- continues to exist. (b) Interest of ₹1,46,503/- payable on FD made out of disputed dividend for the years 2000-01 and 2001-02
Volume of transactions	NIL
Any other element of the transaction necessary for understanding the transaction	None
Amount outstanding at the balance sheet date	(a) ₹60,09,141/- (2014: ₹ 60,09,141/-) (b) ₹1,46,503/- (2014: ₹1,46,503)
Amount written back during the year	NIL

<b>V Name of the related party</b>	<b>Shri. Shanmugham Thiagarajan (Formerly Shri Thiagaraj S Chettiar)</b>
Description of the relationship between the parties	Spouse of Managing Director
Description of the nature of transaction	Unsecured Loan of ₹ 3,66,24,742/- (2014: ₹ 3,66,24,742/-)
Volume of transactions	NIL
Any other element of the transaction necessary for understanding the transaction	None
Amount outstanding at the balance sheet date	₹ 3,66,24,742/- (2014: ₹ 3,66,24,742)
Amount written back during the year	NIL

### KEY MANAGEMENT PERSONNEL

<b>VI Name of the related party</b>	<b>Mrs. Unnamalai Thiagarajan</b>
Description of the relationship between the parties	Managing Director of the Company
Description of the nature of transaction	Remuneration
Volume of transactions	₹ 14,00,000/- (2014: ₹ 14,00,000)
Any other element of the transaction necessary for understanding the transaction	NIL
Amount outstanding at the balance sheet date	NIL
Amount written back during the year	NIL



### 3.4 Accounting for Leases

During the year 1995-96, the Company has completed the construction of its IT Park at Taramani, Chennai and leased out the entire completed portion of the premises. The disclosure required for operating leases under AS 19 is given below:

	As at 31-03-2015	As at 31-03-2014
	(₹)	(₹)
Cost of Buildings leased	226,368,391	224,295,155
Depreciation provided during the year on Buildings leased	6,416,808	3,631,612
Accumulated depreciation on buildings leased including transition adjustment	58,614,633	48,817,893
Impairment loss recognised in Statement of Profit and Loss	Nil	Nil
Impairment loss reversed in Statement of Profit and Loss	Nil	Nil
Future minimum lease payment (receivable)		
Not later than one year	136,874,685	168,396,770
Later than one year and not later than five years	214,812,685	749,964,438
Later than five years	51,31,293	12,780,933

### 3.5 Earnings per share

	2014-15	2013 -14
Net Profit available for Equity Shareholders (₹)	56,270,319	58,390,567
Weighted average number of Equity Shares Outstanding	4,000,007	4,000,007
Basic and diluted EPS (₹)	14.07	14.60

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### 3.6 Deferred Tax Liability /Asset

As per the Accounting Standard “AS 22”, the Company is required to make a provision for “deferred tax liability/ asset”. During the year an amount of ₹7,610,531/-has been recognized for deferred tax asset.

The balance deferred tax liability (net) outstanding as on 31.03.2015 is ₹16,359,705/- the details of which are as follows:

Particulars	As at 31.03.14	Tax effect for the year	As at 31.03.15
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
<b>Deferred Tax ( Liability)</b>			
Fixed Assets	(253.81)	76.28	(177.53)
Sub Total	(253.81)	76.28	(177.53)
<b>Deferred Tax Asset</b>			
Amortization of Land registration Charges	14.10	(0.18)	13.92
Sub Total	14.10	(0.18)	13.92
Deferred Tax Asset / ( Liability)	(239.71)	76.10	(163.61)

### 4.ADDITIONAL INFORMATION TO FINANCIAL STATEMENTS

#### 4.1 Wind Mill

During the financial year the Company sold 9,14,071 units to Tamilnadu Electricity Board. (2014 : 10,20,467 units).

#### 4.2 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

- i) There were no dues to Small Scale Industrial undertakings to whom the Company owes any sum which is outstanding for more than 30 days.

- ii) There were no dues either principal or interest remaining unpaid to any suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, which came into force with effect from 02.10.2006 as at the end of the accounting year. Similarly, no payments have been made to the suppliers beyond the appointed day without adding interest, no interest is accrued and remaining unpaid during the year.

#### 4.3 Investments

In Others - 30,25,300 Equity shares of ₹10/- each in IG3 Infra Limited (Formerly Indian Green Grid Group Limited) fully paid up	₹ 3,02,53,000/-
	(2014: ₹ 3,02,53,000/-)

#### 4.4 Current Liabilities

The company continues to hold the amount of ₹ 1,46,503/- (2014: ₹ 1,46,503/-) on account of Interest payable on FD made out of disputed dividend for the years 2000-01 and 2001-02.

There are no amounts due to the Central Government on account of Investor Education and Protection Fund as on 31.3.2015. The balance amount lying under the Unpaid Dividend Account 2007–2008 declared on 30.07.2008 for the year 2007-08 falls due on 28.08.2015.

#### 4.5 Statement of Profit and Loss

Electricity Expenses have been reduced to the extent of ₹ 50,38,648/- (2014 : ₹ 56,12,569/) for sale of electricity generated from windmill. There is no impact on the statement of Profit and Loss.

#### 4.6 Estimated amount of liability on capital contracts as on 31.03.2015 not provided for is ₹ Nil . (Previous year ₹ Nil ).

#### 4.7 Contingent Liabilities in respect of:

##### Claims against the Company not acknowledged as debt

##### (i) Claim by Department of Telecommunications

The Department of Telecommunications (DoT) filed a claim against the company for ₹ 20,82,233/- before the Sole Arbitrator in the matter of payment towards license fees and interest thereon. The Arbitrator's award was made in June 2005 according to which a sum of ₹ 5,48,288 and interest there on is payable by the company to DoT.

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The company accepted the award and decided to effect the payment after waiting for the appeal period. However DoT has filed an appeal in the High Court of Delhi against the Arbitrator's award. The Company accordingly recognized the total liability at ₹ 11,36,453/- as at 31.3.2015. The difference in claim amounting to ₹ 9,45,780/- is shown under "claims against the Company not acknowledged as debt".

### (ii) Income Tax demand

There is a dispute with regard to the treatment of income of the company by the Income Tax Department as "Income from House Property", whereas in the opinion of the Company, the income should be treated as "Income from Business", which has been confirmed by the Income Tax Appellate Tribunal.

In respect of Assessment Years 1996-97, 1998-99, 2000-01 & 2001-02, the Madras High Court has decided the case in favour of the Company. The Department has filed a special leave petition with the Supreme Court. In the event the Supreme Court reverses the order of the High Court of Madras, there will be a contingent liability of ₹ 100.58 Lakhs.

In respect of Assessment Years 2003-04, the Income Tax Department had preferred appeal before the High Court of Madras against the orders issued by the Income Tax Appellate Tribunal which was passed in favour of the company. In the event there is a reversal of the order, there will be a contingent liability of ₹ 389.22 Lakhs.

In respect of Assessment Years 2007-08 and 2009-10, the case is pending with the Commissioner of Income Tax-Appeals. The contingent liability in this regard amounts to ₹ 11.78 Lakhs.

### (iii) Service Tax:

The company received show cause notice in 2009-10 from the Office of the Commissioner of Service Tax on the applicability of service tax on Electricity charges reimbursed from the occupants including generation from Generator. As per legal opinion, the company has been advised that, it is not liable for service tax on this issue. The company has obtained an interim stay from the High Court of Madras on 28.08.2009 against the show cause notice. The above stay was modified by the High Court on 04.07.2012 based on a Supreme Court decision. As per the order, 50% of the arrears prior to 30th September 2011 to be paid and for the balance 50%, to furnish a solvent surety to the Department. The company filed a fresh Writ Petition for stay and an order was received on 9th September 2014 directing the company to represent before the Service tax department within 15 days and the same has been complied. In view of this, there is a contingent liability of ₹ 282.64 Lakhs

**(iv) Lease Rent :**

The Company received a communication from ELCOT claiming a sum of ₹ 9.56 crores towards difference in the computation of Lease Rent for the period from 14.02.1991 to 14.01.1999. The Company prima-facie has a strong reason that the claim is not tenable and is evaluating various options, including legal recourse. Pending any such actions no provision has been made.

**Disclosure in pursuance of AS 21**

The Company having a wholly owned subsidiary as on 31.03.2015 as detailed below:-

<b>Name of the Subsidiary</b>	<b>Country of Incorporation</b>	<b>Proportion of ownership interest as at 31<sup>st</sup> March 2015</b>	<b>Proportion of ownership interest as at 31<sup>st</sup> March 2014</b>
Elnet Software City Limited	India	100%	100%
Elnet Software City Limited was incorporated on 22.03.2005 as a 100% subsidiary of Elnet Technologies Limited			

Previous year's figures have been re-grouped / re-classified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

**Unnamalai Thiagarajan**  
Managing Director

**G. Chellakrishna**  
Director

**K. Padmanaban**  
Director

As per our Report attached

**For S.H.Bhandari & Co**  
Chartered Accountants

**T.K.Karthik**  
Chief Financial Officer

**S.Lakshmi Narasimhan**  
Company Secretary

**Sreedhar Sreekakulam**  
Partner

Place : Chennai  
Date : 22.05.2015

M.No.026474 FRN000438S

## TWENTY FOURTH ANNUAL REPORT 2014 - 15

<b>CONSOLIDATED CASH FLOW STATEMENT</b>		
<b>Particulars</b>	<b>Year ended</b>	<b>Year ended</b>
	<b>31<sup>st</sup> March 2015</b>	<b>31<sup>st</sup> March 2014</b>
	<b>₹</b>	<b>₹</b>
<b>A. Cash flow from Operating Activities:</b>		
Net Profit before tax and extraordinary items	84,739,340	86,459,164
<b>Adjustments for:</b>		
Excess Income Tax provision for FY 12-13 written back	920,448	-
Depreciation	49,100,449	34,505,119
Interest & Financial Charges Paid	36,719	39,649
Expenses Written off	-	43,291
	<b>134,796,956</b>	<b>121,047,223</b>
Less : Interest income on Fixed Deposits	(16,602,250)	(9,392,222)
Sale of Scrapped Assets	(432,299)	(345,236)
Provision written back	-	(2,759)
<b>Operating Profit Before Working Capital Changes</b>	<b>117,762,407</b>	<b>111,307,006</b>
<b>Adjustments for :</b>		
(Increase) / Decrease in Trade & Other Receivables	(6,964,892)	236,087
Increase / (Decrease) in Trade Payables & Other Liabilities	(2,916,302)	2,391,207
<b>Cash Generated from operations</b>	<b>107,881,213</b>	<b>113,934,300</b>
Income tax Net of Refunds	(29,657,705)	(30,571,682)
<b>Net Cash flow from Operating activities (A)</b>	<b>78,223,508</b>	<b>83,362,618</b>
<b>B. Cash flow from Investing Activities</b>		
Purchase of Fixed Assets	(24,184,306)	(28,312,875)
Capital Work in Progress	(34,220)	(33,518)
Proceeds from sale of fixed assets	492,078	418,595
Interest Received on Fixed Deposits	11,221,482	7,013,823
(Increase) / Decrease in Long Term Fixed Deposits with bank	2,500,000	(15,500,000)
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(10,004,966)</b>	<b>(36,413,975)</b>

Particulars	Year ended 31 <sup>st</sup> March 2015	Year ended 31 <sup>st</sup> March 2014
	₹	₹
<b>C. Cash flow from financing activities</b>		
Increase / (Decrease) in Compensation Deposits	5,109,034	6,837,076
Interest & Bank charges Paid	(36,719)	(39,649)
Dividend Paid ( Including dividend Tax)	(6,683,169)	(6,547,741)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(1,610,854)</b>	<b>249,686</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>66,607,688</b>	<b>47,198,329</b>
<b>Cash and cash equivalents at the beginning of the year</b>	119,990,240	72,791,911
<b>Cash and cash equivalents at the end of the year</b>	<b>186,597,928</b>	<b>119,990,240</b>

For and on behalf of the Board of Directors

**Unnamalai Thiagarajan**  
Managing Director

**G. Chellakrishna**  
Director

**K. Padmanaban**  
Director

**T.K.Karthik**  
Chief Financial Officer

**S.Lakshmi Narasimhan**  
Company Secretary

As per our Report attached

**For S.H.Bhandari & Co**  
Chartered Accountants

**Sreedhar Sreekakulam**  
Partner  
M.No.026474 FRN000438S

Place : Chennai  
Date : 22.05.2015

### AUDITOR'S CERTIFICATE

We have examined the above Cash Flow Statement for the year ended 31st March, 2015. The statement has been prepared by the Company in accordance with the requirements of Listing Agreement, Clause 32 with Bombay Stock Exchange is based on and in agreement with the corresponding Statement of Profit and Loss and Balance Sheet of the Company covered by our report to the members of the Company.

As per our report attached  
For **S.H. Bhandari & Co.**  
Chartered Accountants

Place : Chennai  
Date : 22.05.2015

**Sreedhar Sreekakulam**  
Partner  
M.No. 026474 FRN: 000438S

**SUBSIDIARY COMPANY'S ACCOUNTS  
ELNET SOFTWARE CITY LIMITED**

**DIRECTORS' REPORT**

To the Shareholders

Your Directors have pleasure in presenting the Annual Report and the Audited Accounts of the Company for the year ended 31<sup>st</sup> March 2015.

**OPERATIONS**

The Company is yet to commence its operation.

**FIXED DEPOSITISTS**

The Company has not invited and accepted Fixed Deposits from the public.

**DIRECTORS**

Thiru C. Ramachandran, IAS (Retd.) and Thiru H. Karthik Seshadri retire by rotation and are being eligible for reappointment.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Sec. 134 clause (C) of sub-section (3) of the Companies Act, 2013, the Directors confirm:

The Directors' Responsibility Statement shall state that—

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors have prepared the annual accounts on a going concern basis; and
- (e) the directors, in the case of a listed company, have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.



(f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **AUDITORS**

Shri N. Ramamoorthy, Chartered Accountant, the Statutory Auditor of the Company retires at the conclusion of the Annual General Meeting and has expressed his willingness to continue as Auditor of the Company for the next financial year. Your Directors recommend his reappointment at the ensuing AGM for your approval.

### **PARTICULARS OF EMPLOYEES**

The Company has not made any recruitment of staff during the year.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO**

As the Company is not an industrial undertaking, particulars with regard to conservation of energy and technology absorption required to be given under these heads in accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are not applicable.

**EARNINGS IN FOREIGN EXCHANGE : NIL**

**EXPENSES INCURRED IN FOREIGN CURRENCY DURING THE YEAR : NIL**

### **ACKNOWLEDGEMENT**

Your Directors wish to express their sincere thanks to the Bankers for their support and co-operation extended to the Company.

For and on behalf of the Board of Directors of,  
ELNET SOFTWARE CITY LIMITED

Place : Chennai

**Unnamalai Thiagarajan**

**C. Ramachandran**

Date : 06.05.2015

Director

Director

## **TWENTY FOURTH ANNUAL REPORT 2014 - 15**

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### **INDEPENDENT AUDITORS REPORT ON STANDALONE FINANCIAL STATEMENTS UNDER THE COMPANIES ACT, 2013**

### **INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF M/S. ELNET SOFTWARE CITY LIMITED**

#### **Report on the Financial Statements**

I have audited the accompanying financial statements of M/s. Elnet Software City Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement and a summary of significant accounting policies and other explanatory information.

#### **Management’s Responsibility for the Financial Statements**

The Company’s Board of Directors is responsible for the matters in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor’s Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit.

I have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

I conducted my audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the financial statements.

### **Opinion**

In my opinion and to the best of my information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015,
- b) In the case of the Statement of Profit & Loss, since the Company is yet to commence operations, a Nil Statement of Profit & Loss has been affixed to comply with the provisions of the Act,
- c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

### **Report on other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ('the Order'), issued by the Central Government in terms of Sub-Section 11 of Section 143 of the Companies Act, 2013, I enclose in the Annexure a statement on the matter specified in paragraphs 3 and 4 of the said Order.
2. As required by Section 143(3) of the Act, I report that:
  - a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit.
  - b) In my opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

## TWENTY FOURTH ANNUAL REPORT 2014 - 15

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- c) the Balance Sheet, the Statement of Profit & Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In my opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the other matters included in the Auditor's Report and to the best of my information and according to the explanations given to us:
  - (i) The Company does not have any pending litigations which would impact its financial position;
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - (iii) There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.

Place : Chennai

Date : May 6, 2015

**Ramamoorthy N**  
Chartered Accountant  
Membership No. 227125

Annexure to the independent Auditors' Report to the Members of Elnet Software City Limited for the year ended March 31, 2015 (Referred to in my report of even date)

- (i) The Company has no fixed assets. Therefore, the provisions of Clause 3(i) of the Order are not applicable.
- (ii) The Company has no inventories. Therefore, the provisions of Clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

- (iv) In my opinion and according to the information and explanations given to me, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business. During the course of my audit, I have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) In my opinion and according to the information and explanations given to me, the Company has not accepted deposits. Hence the question of complying with the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules framed thereunder, are not applicable to the Company.
- (vi) According to information and explanations given to me, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013.
- (vii) The Company is yet to commence its operations and has no employees. Hence, the question of paying any kind of statutory dues does not arise.
- (viii) The Company is yet to commence its operations. Hence there are no accumulated losses.
- (ix) According to information and explanations given to me, the Company did not have any dues to banks or financial institutions during the year. Hence the question of default in repayment of dues does not arise.
- (x) The Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) The Company has not availed any term loan during the year ended March 31, 2015.
- (xii) According to the information and explanations given to me, no fraud on or by the Company has been noticed or reported during the course of my audit.

Place : Chennai

Date : May 6, 2015

**Ramamoorthy N**  
Chartered Accountant  
Membership No. 227125

## TWENTY FOURTH ANNUAL REPORT 2014 - 15

<b>BALANCE SHEET</b>			
<b>Particulars</b>	<b>Note No</b>	<b>As at 31<sup>st</sup> March 2015 ₹</b>	<b>As at 31<sup>st</sup> March 2014 ₹</b>
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	1	1,000,000	1,000,000
<b>Current Liabilities</b>			
Short-term provisions	2	7,500	7,500
<b>Total</b>		<b>1,007,500</b>	<b>1,007,500</b>
<b>II. Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
Capital work-in-progress	3	339,682	305,462
Other non-current assets	4	40,652	40,652
<b>Current assets</b>			
Cash and cash equivalents	5	627,166	661,386
<b>Total</b>		<b>1,007,500</b>	<b>1,007,500</b>

Notes 1 to 13 form an integral part of the financial statements

This is the Balance Sheet referred to in my report of even date

For and behalf of the Board of Directors  
**Elnet Software City Limited**

**Ramamoorthy N**  
Chartered Accountant  
M. No. 227125

**Unnamalai Thiagarajan**  
Director

**C. Ramachandran**  
Director

Place : Chennai  
Date : 06.05.2015

<b>STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015</b>			
<b>Particulars</b>	<b>Note No</b>	<b>As at</b>	<b>As at</b>
		<b>31<sup>st</sup> March 2015</b>	<b>31<sup>st</sup> March 2014</b>
		₹	₹
<b>Revenue</b>			
Revenue from operations		-	-
<b>Total revenue</b>		-	-
<b>Expenses</b>			
Other expenses		-	-
<b>Total expenses</b>		-	-

Notes 1 to 13 form an integral part of these financial statements

This is the statement of profit and loss referred to in my report of even date

For and behalf of the Board of Directors  
**Elnet Software City Limited**

**Ramamoorthy N**  
Chartered Accountant  
M. No. 227125

**Unnamalai Thiagarajan**  
Director

**C. Ramachandran**  
Director

Place : Chennai  
Date : 06.05.2015

## TWENTY FOURTH ANNUAL REPORT 2014 - 15

### NOTES TO THE BALANCE SHEET AS AT MARCH 31, 2015

Sl.No.	Particulars	As at March 31, 2015		As at March 31, 2014	
		Number	In ₹	Number	In ₹
1	<b>Share capital</b>				
	<b>Authorized share capital</b>				
	Equity shares of ₹10 each	100,000	1,000,000	100,000	1,000,000
	<b>Issued, subscribed and fully paid up</b>				
	Equity shares of ₹10 each	100,000	1,000,000	100,000	1,000,000
a)	<b>Reconciliation of share capital (Equity)</b>	<b>Number</b>	<b>In ₹</b>	<b>Number</b>	<b>In ₹</b>
	<b>Balance at the beginning of the period</b>	<b>100,000</b>	<b>1,000,000</b>	<b>100,000</b>	<b>1,000,000</b>
	Add : Issued during the period	-	-	-	-
	<b>Balance at the end of the period</b>	<b>100,000</b>	<b>1,000,000</b>	<b>100,000</b>	<b>1,000,000</b>
b)	<b>Shareholders holding more than 5% of the shares</b>	<b>Number</b>	<b>In %</b>	<b>Number</b>	<b>In %</b>
	Equity shares of ₹10 each Elnet Technologies Limited ( including 6 shares held through nominees )	100,000	100.00%	100,000	100.00%
c)	<b>Details of shares held by Holding Company</b>	<b>Number</b>	<b>In %</b>	<b>Number</b>	<b>In %</b>
	Equity shares of ₹10 each Elnet Technologies Limited ( including 6 shares held through nominees )	100,000	100.00%	100,000	100.00%
d)	<b>Rights, preferences, restrictions</b> The Company has one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets after distribution of all preferential amounts, in proportion to their shareholding.				

		As at 31 <sup>st</sup> March, 2015 ₹	As at 31 <sup>st</sup> March, 2014 ₹
2	<b>Short-term provisions</b>		
	Provision for Audit Fees	7,500	7,500
	<b>Total</b>	<b>7,500</b>	<b>7,500</b>
3	<b>Non-current assets</b>		
	Capital work-in-progress (Refer Note 11)	339,682	305,462
	<b>Total</b>	<b>339,682</b>	<b>305,462</b>
4	<b>Other non-current assets</b>		
	Miscellaneous Expenses to the extent not written off	40,652	40,652
	<b>Total</b>	<b>40,652</b>	<b>40,652</b>
5	<b>Cash and cash equivalents</b>		
	Cash in hand	-	-
	Balance with Banks in Current Account	627,166	661,386
	<b>Total</b>	<b>627,166</b>	<b>661,386</b>



## **Summary of significant accounting policies and other explanatory information**

### **6 BACKGROUND**

M/s. Elnet Software City Limited was incorporated in March 2005 as a Public Limited Company having its Registered Office in IT Corridor, Taramani, Chennai. The Company is a Wholly-owned subsidiary of M/s. Elnet Technologies Limited.

### **7 SIGNIFICANT ACCOUNTING POLICIES**

#### **7.1 Basis of preparation of Financial Statements**

The financial statements are prepared under the historic cost convention and on accrual basis of accounting in accordance with generally accepted accounting principles (“GAAP”) applicable in India. GAAP comprises mandatory accounting standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the pronouncements of the Institute of Chartered Accountants of India. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The management evaluates all recently issued or revised accounting standards on an ongoing basis.

#### **7.2 Use of Estimates**

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period, reported balances of assets and liabilities, and disclosure of contingent assets and liabilities as at the date of the financial statements. Although these estimates are based upon the management’s best knowledge of current events and actions, actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods. Further the classification of assets and liabilities into current and non-current is based on the estimation of the operating cycle of the Company.

#### **7.3 Revenue Recognition**

The Company is yet to commence its operations.

#### **7.4 Employee Benefits**

The Company has no employees during the period under review.

## TWENTY FOURTH ANNUAL REPORT 2014 - 15

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### 7.5 Provisions, Contingent Liabilities and Contingent Assets

The Company creates a provision when there is present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognized nor disclosed in the financial statements.

### 7.6 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

## 8 MICRO, SMALL AND MEDIUM ENTERPRISES

Under the Micro, Small and Medium Enterprises Development Act, 2006, ('MSMED') which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. Based on the information available with the Company, there are no dues to micro, small and medium enterprises who have registered with the competent authorities.

## 9 RELATED PARTIES

a) Names of related parties

Relationship	Name
Holding Company	Elnet Technologies Limited

b) There were no transactions with related parties during the current and previous year.

## 10 PAYMENT TO AUDITORS

Particulars	For the year ended March 31, 2015 ₹	For the year ended March 31, 2014 ₹
Statutory Audit Fees	7,500	7,500

**11 STATEMENT OF EXPENSES CAPITALISED AND ADDED TO CAPITAL  
WORK-IN-PROGRESS**

Particulars	For the year ended March 31, 2015 ₹	For the year ended March 31, 2014 ₹
Audit Fees	7,500	7,500
Bank Charges	720	550
Legal & Professional Fees	24,000	24,818
Rates & Taxes	2,000	650
<b>Total</b>	<b>34,220</b>	<b>33,518</b>

**12 Previous Year Comparatives**

Previous year figures have been regrouped wherever necessary.

**13** All the figures in the financial statement are presented in Indian Rupees except share data and as otherwise stated.

This is the summary of significant policies and other explanatory information referred to in my report of even date.

For and behalf of the Board of Directors  
**Elnet Software City Limited**

**Ramamoorthy N**  
Chartered Accountant  
M. No. 227125

**Unnamalai Thiagarajan**  
Director

**C. Ramachandran**  
Director

Place : Chennai  
Date : 06.05.2015

## TWENTY FOURTH ANNUAL REPORT 2014 - 15

ELNET SOFTWARE CITY LIMITED		
Cash Flow Statement For The Year Ended March 31, 2015		
Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>A) CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Loss before tax	-	-
Operating Profit before Working Capital Changes	-	-
<b>Adjustments for:</b>		
Increase/(Decrease) in Current & Non current Assets	-	-
Increase/(Decrease) in Current & Non current Liabilities	-	-
Adjustment for provisions	-	(927)
<b>Cash generated from operations</b>	-	<b>(927)</b>
Income tax paid	-	-
<b>Net Cash flow from Operating activities (A)</b>	-	<b>(927)</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Capital Work-in-Progress	(34,220)	(33,518)
Net Cash flow from Investing activities	(34,220)	(33,518)
<b>C) CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Net Cash used in financing activities	-	-
<b>Net increase/(decrease) in Cash &amp; Cash Equivalents (A) + (B) + (C)</b>	<b>(34,220)</b>	<b>(34,445)</b>
Cash and Cash equivalents at the beginning of the year	661,386	695,831
<b>Cash and Cash equivalents at the end of the year</b>	<b>627,166</b>	<b>661,386</b>
<b>Notes 1 to 13 form an integral part of these financial statements</b>		

This is the cash flow statement referred to in my report of even date

For and behalf of the Board of Directors  
**Elnet Software City Limited**

**Ramamoorthy N**  
Chartered Accountant  
M. No. 227125

**Unnamalai Thiagarajan**  
Director

**C. Ramachandran**  
Director

Place : Chennai  
Date : 06.05.2015

## NOTES

**TWENTY FOURTH ANNUAL REPORT 2014 - 15**

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**NOTES**



**FORM NO. MGT - 11  
PROXY FORM**

(Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014

CIN : L72300TN1990PLC019459

**ELNET TECHNOLOGIES LIMITED**

Regd. Office : ELNET Software City, TS 140, Block 2 & 9, Rajiv Gandhi Salai, Taramani, Chennai 600 113

Name of the member (s) :
Registered address :
E-mail ID :
Folio No./Client ID :

I/We, being the member(s) of \_\_\_\_\_ shares of the above named company, hereby appoint

- 1) Name :  
Address :  
E-mail ID :  
Signature \_\_\_\_\_ or failing him/her
- 2) Name :  
Address :  
E-mail ID :  
Signature \_\_\_\_\_ or failing him/her
- 3) Name :  
Address :  
E-mail ID :  
Signature \_\_\_\_\_ or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th Annual General Meeting of the Company to be held on the Wednesday of 08th July 2015 at 11.00 AM at New Woodlands Hotel Pvt. Ltd., No.72-75, Dr.Radhakrishnan Salai, Mylapore, Chennai 600 004 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars
1	Adoption of Audited Financial Statements of the Company for the Financial Year ended 31st March 2015 together with the Report of the Board of Directors and Auditors thereon.
2	Declaration of Dividend on the equity shares
3	Appointment of M/s.S.H. Bhandari & Co., Chartered Accountants, as the Statutory Auditors of the Company and to fix their remuneration
4	Appointment of a Director in place of Thiru C. Ramachandran, IAS (Retd.) who retires by rotation and being eligible, offers himself for re-appointment.
5	Re-appointment of Thiru R. Ganapathi, as an Independent Director of the Company
6	Re-appointment of Thiru H. Karthik Seshadri, as an Independent Director of the Company
7	Re-appointment of Thiru G. Senrayaperumal, as an Independent Director of the Company
8	Re-appointment of Thiru K. Kasim, IPS (Retd.), as an Independent Director of the Company

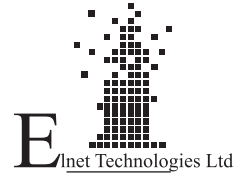
Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015

Signature of shareholder(s)

Signature of Proxy holder(s)



- Notes: 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Meeting.  
2) For the resolutions, Explanatory Statement and Notes, please refer to the Notice of the Twenty Fourth Annual General Meeting.



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**ELNET TECHNOLOGIES LIMITED**

*Regd. Office : ELNET Software City, TS 140, Block 2 & 9, Rajiv Gandhi Salai, Taramani, Chennai 600 113*

**ATTENDANCE SLIP**

24th Annual General Meeting 8th July, 2015

Regd. Folio No. .... (or)

\*Client ID No. .... DP ID No. ....

Name and Address of Shareholders(s) :

Proxy's Name:

I certify that I am a registered shareholder/proxy for the registered shareholder of the company. I hereby record my presence at the 24th Annual General Meeting of the Company held at New Woodlands Hotel Pvt. Ltd. No.72-75, Dr.RadhakrishnanSalai, Mylapore, Chennai 600 004 on Wednesday, the 8th July 2015 at 11.00 a.m.

Signature of Member / Proxy

*\*Those who hold shares in demat form to quote their Client ID No. and Depository Participant (DP) ID No.*



Dear Shareholder,

As part of the Green Initiative in Corporate Governance, the Ministry of Corporate Affairs (MCA), Government of India, through its Circular Nos. 17/2011 and 18/2011, dated April 21 and 29, 2011 respectively, has allowed companies to send official documents to their shareholders electronically.

Recognizing the spirit of the circular issued by MCA, we propose to send documents like the Notice convening the general meetings, Financial Statements, Directors' Report, Auditors' Report etc. for the year ended March 31, 2015, in electronic form, to the email address provided by you and made available to us by the Depositories.

Following the government directive, the full text of these reports will also be made available in an easily navigable format on our website, [www.elnettechnologies.com](http://www.elnettechnologies.com).

We request you to send the information as per the format attached to our email ID [elnet@md4.vsnl.net.in](mailto:elnet@md4.vsnl.net.in) and in case of physical form, please use the attached self-addressed business reply envelope.

Regards,

Investor Relations Team

Elnet Technologies Limited, TS 140, Block 2&9 Rajiv Gandhi Salai,  
Taramani, Chennai – 600 113. Tamil Nadu

## FORMAT

Name of the Shareholder :

Folio No :

DP ID :

CLIENT ID :

E Mail Id :

Address :

Bank Details :

Account Number :

Name of the bank :

Branch & Address :

IFS Code :