



June 22, 2016

The Secretary,  
BSE Limited  
Phiroze Jeejeebhai Towers,  
Dalal Street,  
Mumbai – 400 001.

Dear Sirs,

Sub: 25<sup>th</sup> Annual Report of 2015-16 as per Regulation 34 of  
SEBI (LODR), Regulations 2015- reg.

With reference to the above, we are enclosing the copy of our 25<sup>th</sup> Annual Report for the year ended 31<sup>st</sup> March 2016.

Also, we wish to inform you that the enclosed accounts have been adopted and approved at our 25<sup>th</sup> Annual General meeting held on 15.06.2016 (Wednesday) at 11.00 a.m at New Woodlands Hotel Pvt. Ltd., No. 72-75, Dr. Radhakrishnan Salai, Mylapore, Chennai – 600 004.

Request you to kindly take the same on records.

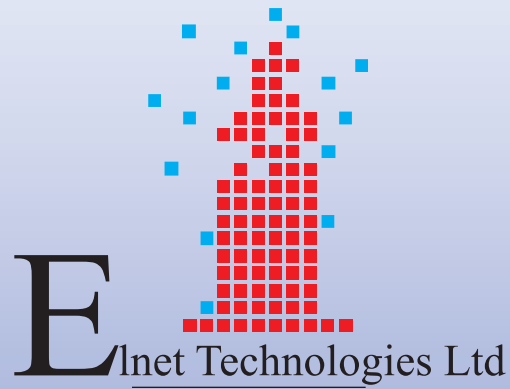
Thanking You.

Yours truly,  
For **ELNET TECHNOLOGIES LIMITED**

A handwritten signature in blue ink, appearing to be 'S. Lakshmi Narasimhan'.

S. Lakshmi Narasimhan  
Company Secretary

Encl: a/a



# 25<sup>th</sup> Annual Report

2015 - 2016

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 P. Manivanan  
Thiru R. Sridhar (Till 30.10.2015)

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 Branch  
Chennai 600 041

M/s. Canara Bank  
Tidel Park Branch, 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  
CIN : L72300TN1990PLC019459

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 FIFTH ANNUAL REPORT 2015 - 16

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### FINANCIAL HIGHLIGHTS

(In ₹ Lakhs)

HIGHLIGHTS	2015-16	2014-15	2013-14	2012-13	2011-12
Gross Revenue	2414.35	2330.04	2253.80	2169.21	1687.72
Profits Before Tax	979.78	847.39	864.59	802.03	635.51
Taxation	335.17	284.69	280.69	263.13	214.16
Profits After Tax	644.61	562.70	583.90	538.90	421.35
Dividend & Dividend Taxes	81.84	67.40	65.52	65.52	55.79
Borrowings	426.34	426.34	426.34	426.34	426.34
Networth	5300.44	4737.36	4299.21	3780.82	3298.38
Earnings per Equity Share	16.12	14.07	14.60	13.47	10.53
Dividend on Equity Share	17%	14%	14%	14%	12%
Debt: Equity Ratio	0.08:1	0.09:1	0.1:1	0.1:1	0.1:1

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### NOTICE

NOTICE is hereby given that the TWENTY FIFTH Annual General Meeting of ELNET TECHNOLOGIES LIMITED (CIN: L72300TN1990PLC019459) will be held on Wednesday, the 15th June 2016, 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. A) To receive, consider and adopt the Audited Statement of Profit & Loss Account for the Financial Year ended on 31st March 2016 and the Balance Sheet as at that date and the Cash flow statement for the Financial Year ended on 31st March 2016 and the Reports of the Directors and the Auditors thereon.  
B) To receive, consider and adopt the Audited Consolidated Financial Statement of the company for the Financial year ended 31st March, 2016
2. To declare Dividend on the equity shares.
3. To appoint a Director in place of Thiru J. Ravi (DIN:00042953) who retires by rotation and is eligible for re-appointment
4. To ratify the appointment of 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 who were appointed as Statutory Auditors of the Company at the 24th Annual General Meeting, to hold office till the conclusion of the next Annual General Meeting of the company, (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”.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committees thereof) and / or Company Secretary of the Company, be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

### SPECIAL BUSINESS

#### 5. APPOINTMENT OF THIRU P. MANIVANNAN, (DIN:07323312) AS A DIRECTOR

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

“RESOLVED THAT pursuant to the provisions of Section 149, 152, 161 and all other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory or re-enactment thereof for the time being in force) Thiru P. Manivannan, (DIN:07323312) who was appointed

as Nominee Director on 30.10.2015 in the casual vacancy caused by the resignation of Thiru R. Sridhar, who vacates office at this Annual General Meeting and is eligible for reappointment, in respect of whom the Company has, as required under Sec. 160 of the Companies Act 2013, received a Notice in writing from a member signifying intention to propose him as a candidate for the office of the Director, be and is hereby appointed as a Director of the Company, is not subject to retire by rotation”.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committees thereof) and / or Company Secretary of the Company, be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

By Order of the Board of Directors  
For Elnet Technologies Limited

Place : Chennai  
Date : 06.05.2016

**S. LAKSHMI NARASIMHAN**  
COMPANY SECRETARY

## TWENTY FIFTH ANNUAL REPORT 2015 - 16

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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.3 and 5 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 09.06.2016 to 15.06.2016 (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 and other applicable provisions, if any, 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 31.03.2016 (₹)	Date of declaration of Dividend	Due Date of the proposed transfer to Investor Education and Protection Fund
2008-09	2,48,973.00	07.07.2009	08.08.2016
2009-10	2,70,072.00	21.07.2010	24.08.2017
2010-11	3,42,317.20	28.06.2011	31.07.2018
2011-12	2,81,091.60	22.06.2012	24.07.2019
2012-13	2,37,493.20	20.06.2013	22.07.2020
2013-14	2,48,096.80	17.07.2014	20.08.2021
2014-15	2,35,676.20	08.07.2015	10.08.2022
<b>Total</b>	<b>18,63,720.00</b>		

**\*\* Please note that as per sec.124 of the Companies Act, 2013 and other applicable provisions, if any, the company shall transfer the pending amount lying in the Unpaid Dividend account to Investor Education and Protection Fund within 30 days from the due date.**

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. which is also available in our web site : [www.elnettechnologies.com](http://www.elnettechnologies.com)
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](mailto: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 31.03.2016, 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. Members/Proxies/Authorised Representatives should bring the enclosed Attendance Slip, duly filled in, for attending the Meeting. Copies of the Annual Report or Attendance Slips will not be distributed at the Meeting.
16. 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 - 9.30 A.M to 5.30 P.M  
Saturday - 9.30 A.M to 1.00 P.M
17. 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 08th day of June 2016 as per the details furnished by National Securities Depository Limited (NSDL) and Central Depositories Services India Limited (CDSL), the Depositories, for this purpose.
18. Pursuant to Regulation 36 of SEBI (LODR) Regulations 2015, the brief resume/details of the Directors being re-appointed, annexed hereto.
19. The Reserve Bank of India (RBI), has 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.

20. 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.
21. 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.
22. 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, 2016, 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 with prior notice.
23. Route Map showing directions to reach to the venue of the 25th AGM is given at the end of this Notice as per the requirement of Secretarial Standards-2 on "General Meeting".
24. Members are requested to send all communications relating to shares, unclaimed dividends and change of address, etc. to the Registrar and Share Transfer Agents at the following address:

M/s.Cameo Corporate Services Limited (Unit : Elnet Technologies Limited), "Subramanian Building", 5th Floor, No.1, Club House Road, Chennai 600 002, Tel.No.: 044 – 2846 0390 (6 lines), Fax No.: 044 – 2846 0129

## **TWENTY FIFTH ANNUAL REPORT 2015 - 16**

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### **ANNEXURE TO THE NOTICE**

#### **EXPLANATORY STATEMENT (PURSUANT TO SECTION 102 OF COMPANIES ACT 2013)**

The following Explanatory Statement sets out all the material facts relating to the Ordinary Business and Special Business under Item No.3 and 5 of the accompanying Notice dated 06.05.2016

#### **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 31.03.2016 is being proposed to be appointed as Auditors for the financial year ending 31.03.2017.

Directors recommend the passing of the resolution.

None of the directors is interested or concerned in the above said resolution.

None of the Key Managerial Personnel of the company either directly or through their relatives are in any way concerned or interested whether financially or otherwise in this resolution.

#### **Item No. 5 Appointment of Director**

Thiru P. Manivannan was appointed by the Board of Directors as a Director on 30.10.2015, in the casual vacancy caused by the resignation of Thiru R. Sridhar and he holds office until the ensuing Annual General Meeting and is eligible for reappointment. In respect of his appointment the Company has, as required under Sec 160 of the Companies Act, 2013, received a Notice in writing from a member M/s. Electronics Corporation of Tamilnadu Limited, Chennai, whose DP ID / CL ID is IN300597 / 10269372 signifying intention to propose him as a candidate for the office of the Director. A detail regarding his profile is given in the annexure attached to the Notice.

Keeping in view the experience and expertise of Thiru P. Manivannan, his appointment as a Director of the Company is recommended by the Board for your approval. Thiru P. Manivannan is not liable to retire by rotation.

No director except Thiru P. Manivannan along with the other nominee directors of ELCOT, key managerial personnel or their relatives, to whom the resolution relates, is interested or concerned in the resolution.

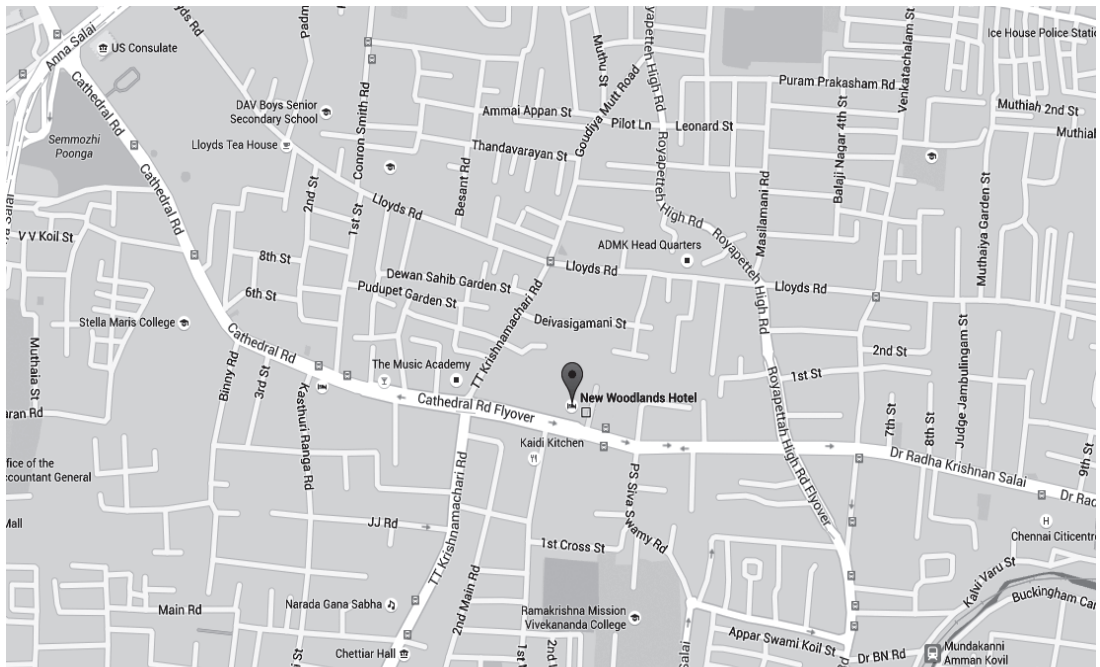
The Board recommends the resolution set forth in Item No.5 for the approval of the members

By Order of the Board of Directors  
For Elnet Technologies Limited

Place : Chennai  
Date : 06.05.2016

**S. LAKSHMI NARASIMHAN**  
COMPANY SECRETARY

### ROUTE MAP FOR THE VENUE OF THE 25TH ANNUAL GENERAL MEETING



## TWENTY FIFTH ANNUAL REPORT 2015 - 16

<b>INFORMATION ON DIRECTORS RETIRING BY ROTATION SEEKING REAPPOINTMENT AND DIRECTOR PROPOSED TO BE APPOINTED AT THE ANNUAL GENERAL MEETING</b>	
<b>Name</b>	Thiru J. Ravi
<b>Date of Birth and age</b>	03.10.1954 & 61 Years
<b>Appointed on</b>	08.08.2003
<b>Qualification</b>	B.Tech - Chemical Engineering
<b>Experience in specific functional areas</b>	29 years of experience in International Trading
<b>Directorship/Chairmanship held in other public companies</b>	NIL
<b>Memberships/Chairmanship of Committee across public companies</b>	NIL
	Thiru P. Manivannan
	10.03.1965 & 51 Years
	30.10.2015
	M.A. Economics
	Having 28 years of experience in Government Departments
	NIL
	NIL

## 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 10th June 2016 at 10.00 AM and ends on 14th June 2016 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 09th June 2016, 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 sequence number which is printed on the address label.</li> <li>• In Case the sequence number is less than 8 digits enter the applicable, 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.

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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.



(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 08th June 2016.
- 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 make 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., 17th June 2016.
- 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

## TWENTY FIFTH ANNUAL REPORT 2015 - 16

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### DIRECTORS' REPORT

To

The Members

Your Directors have great pleasure in presenting the TWENTY FIFTH Annual Report together with the Audited Accounts of your Company for the Financial Year ended 31.03.2016.

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.644.61 Lakhs.

### OPERATIONS

The Directors have pleasure in presenting before you the Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March 2016:-

Sl. No.	Particulars	For the year ended 31.3.2016 ₹ in Lakhs	For the year ended 31.3.2015 ₹ in Lakhs
1.	Gross Income	2414.35	2330.04
2.	Profit Before Interest and Depreciation	1396.05	1338.39
3.	Profit Before Depreciation	1396.05	1338.39
4.	Provision for Depreciation	416.27	491.00
5.	Net Profit Before Tax	979.78	847.39
6.	Provision for Tax	335.17	284.69
7.	Net Profit After Tax	644.61	562.70
8.	Balance of Profit brought forward	1799.70	1504.40
9.	Balance available for appropriation	2444.31	2067.10
10.	Proposed Dividend on Equity Shares	68.00	56.00
11.	Tax on proposed Dividend	13.84	11.40
12.	Transfer to General Reserve	200.00	200.00
13.	Surplus carried to Balance Sheet	2162.47	1799.70

### THE STATE OF THE COMPANY'S AFFAIRS :

During the year 2015-16, there was no significant change in the Business model of the company.

## **DIVIDEND**

Your Directors are pleased to record the completion of 25 years of operations of the company and to commemorate the occasion, recommend an exclusive one time dividend of 3% in addition to the dividend of 14%. Thus, your Directors hereby recommend an overall Dividend of 17% on the Equity Share Capital of the Company for the year ended March 31, 2016. 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 in the Register of Members of the Company as on 08th June 2016, being the record date.

## **TRANSFER TO RESERVE**

The Board after apportioning the appropriate amounts to Dividend, approved the transfer of Rs.200 lakhs to General Reserves.

## **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 5 times during this financial year. The dates of the meetings were as follows:

1) 22.05.2015	2) 29.07.2015	3) 30.10.2015
4) 29.01.2016	5) 24.03.2016	

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

During the year under review the following Director was appointed:

<b>Date of appointment</b>	<b>Name</b>	<b>Designation</b>
30.10.2015	Thiru P. Manivanan	Nominee Director

## **COST AUDITOR**

Pursuant to Section 148 of the Companies Act, 2013 and the Cost Audit Rules 2014 thereof, our company does not fall within the threshold limit prescribed for Cost Auditing.

## **TWENTY FIFTH ANNUAL REPORT 2015 - 16**

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### **CORPORATE GOVERNANCE**

Your Company follows the principles of effective Corporate Governance Practices. The Company has taken steps to comply with Corporate Governance as per the applicable regulations of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015. This Report is available under the heading "Report on Corporate Governance" and forms part of this Annual Report.

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

Also a Report on Annual returns Extracts in MGT-9, Declaration from Independent Directors on Annual basis and AOC-2 Related party Transactions Disclosures are being annexed as part of this Annual Report.

### **LISTING OF SHARES**

Your Company's share is listed presently in BSE Limited.

### **DEMATERIALISATION OF EQUITY SHARES**

As on 31.03.2016, 37,53,635 numbers of equity shares are held in Dematerialized Form, which constitutes 93.84% of total shareholding.

### **ACCEPTANCE OF FIXED DEPOSITS**

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

### **DIRECTORS**

Under the provisions of the Articles of Association of the Company, one of your Director Thiru J.Ravi, retires by rotation at the forth coming Annual General Meeting and 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;
- (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.

None of the non-executive directors holds any share/convertible instruments in the company

### **CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

As part of its initiatives under “Corporate Social Responsibility” (CSR), the company has contributed funds of Rs. 2,50,000/- and Rs.14,26,000/- towards Rural Development Organization (R.D.O Trust) and Cancer Institute, Adyar, Chennai, respectively. The Annual Report on CSR activities is annexed herewith as: Annexure III.

### **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 year 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**

## **TWENTY FIFTH ANNUAL REPORT 2015 - 16**

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

The Company has its operations in one location, and there is no significant change in the business model.

### **SHARE CAPITAL**

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

### **FORMAL ANNUAL EVALUATION**

The Company being IT Infra Structure provider and established in the year 1990 continued to operate on profitable basis year by year. Since, during the year, the IT industry had a moderate growth, the profits of the company is also on desired level.

### **VIGIL MECHANISM (Whistle Blower Policy)**

As per Section 177 of the Companies Act, 2013, your company has a well-established vigil policy.

### **SECRETARIAL AUDIT REPORT**

A Secretarial Audit Report given by M/s, B.P Associates, Practicing Company Secretaries 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.

### **PARTICULARS OF LOANS, INVESTMENT OR GUARANTEES**

During the year under review, your Company has not provided any loans or Guarantees. The company has invested in "AXIS HYBRID FUND SERIES 27" which is a close ended mutual fund for a value of Rs.4.00 crores, which is well within the threshold limits as per the provisions of the Section 186 of the Companies Act, 2013.

### **RISK MANAGEMENT POLICY**

Risk Management Policy has been discussed under the head "CORPORATE GOVERNANCE REPORT" which is annexed to this.

### **Disclosure as required under Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

During the financial year under review, the Company has not received any complaints of sexual harassment from any of the women employees of the Company.

### **MATERIAL CHANGES**

During the year under review, your Company does not have any material changes in its financial position.

## **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

All transactions entered into with related parties were in the ordinary course of business. There were no material related party transactions i.e transactions entered into during the year. Accordingly, there are no transactions that are required to be reported in Form AOC 2. None of the Directors nor the Key Managerial Personnel have any pecuniary relationships or transactions vis-à-vis the Company. The policy on Related Party Transactions as approved can be accessed through weblink <http://www.elnettechnologies.com/Document/Related%20Party%20Transaction%20policy.pdf>

## **CONSOLIDATED FINANCIAL STATEMENTS**

As stipulated by Regulation 33 of the SEBI (LODR), Regulations 2015, the consolidated financial statements have been prepared by the Company in accordance with the applicable Accounting Standards. The audited consolidated financial statements together with Auditors' Report form part of the Annual Report. The Company has opted to publish the consolidated financial only for the financial year ended 31st March and for the quarter ended financials, only the standalone financials have been published.

## **Significant & Material Orders passed by the Regulators or Courts**

There have been no significant and material orders passed by the courts or regulators or tribunals impacting the going concern status and Company's operations. However, members' attention is drawn to the statement on contingent liabilities and commitments in the notes forming part of the Financial Statements.

## **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 during the year. 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 : 06.05.2015

**TMT. UNNAMALAI THIAGARAJAN**  
MANAGING DIRECTOR  
DIN : 00203154

**THIRU P.MANIVANNAN**  
DIRECTOR  
DIN : 07323312

## **TWENTY FIFTH ANNUAL REPORT 2015 - 16**

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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 remain at same level.

#### **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**

Your Company's internal control system is well defined and is commensurate with the size and nature of the business. The operations are subject to a detailed internal audit and the company implements the remedial measures suggested by the internal auditors.

#### **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 14 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.



**Annual Return Extracts in MGT 9**

**ANNEXURE - I**

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31.03.2016

[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  
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 / SUBSIDIARY/ ASSOCIATE COMPANY	% of shares held	Applicable Section
1	Elnet Software City Limited, TS 140, Block 2&9, Rajiv Gandhi Salai, Taramani, Chennai 600 113.	U45209TN2005PLC055728	SUBSIDIARY COMPANY	100%	2 (87) of Companies Act, 2013

**TWENTY FIFTH ANNUAL REPORT 2015 - 16**

**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 : 01-Apr-2015 to : 31-Mar-2016

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

"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
	NON-INSTITUTIONS									
a.	BODIES CORPORATE	113980	9900	123880	3.0969	122573	9900	132473	3.3118	0.2148
b.	INDIVIDUALS -									
	I INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL UPTO RS. 1 LAKH	1122870	242472	1365342	34.1334	1094779	236472	1331251	33.2812	-0.8522
	II INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF RS. 1 LAKH	306416	0	306416	7.6603	340097	0	340097	8.5024	0.8420
c.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000

## TWENTY FIFTH ANNUAL REPORT 2015 - 16

"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	1430	0	1430	0.0357	2416	0	2416	0.0603	0.0246	
	HINDU UNDIVIDED FAMILIES	67115	0	67115	1.6778	53250	0	53250	1.3312	-0.3466	
	NON RESIDENT INDIANS	21963	0	21963	0.5490	26659	0	26659	0.6664	0.1173	
		90508	0	90508	2.2626	82325	0	82325	2.0581	-0.2045	
	SUB - TOTAL (B)(2)	1633774	252372	1886146	47.1535	1639774	246372	1886146	47.1535	0.0000	
	TOTAL PUBLIC SHAREHOLDING (B) = (B)(1)+(B)(2)	1633774	252372	1886146	47.1535	1639774	246372	1886146	47.1535	0.0000	
	TOTAL (A)+(B)	3747635	252372	4000007	100.0000	3753635	246372	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)	3747635	252372	4000007	100.0000	3753635	246372	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"							
1	ELECTRONICS CORPORATION OF TAMILNADU LTD	1040006	26.0001	0.0000	1040006	26.0001	0.0000	0.0000	0.0000	IN30059710289372	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	SHANMUGAM THIAGARAJAN *	369483	9.2370	0.0000	369483	9.2370	0.0000	0.0000	9.2370	1301740000164995	DZCPS9718F	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	

\* NOTE : Due to closure of Madras Stock Exchange operations, new DP ID was created. Hence there is no sale/purchase.

**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	Shareholding at the beginning of the year		Cumulative Shareholding during the year		FOLIO/DP_CL_ID	PAN
		No of shares	"% of total shares of the company"	No of shares	"% of total shares of the company"		
1	ELECTRONICS CORPORATION OF TAMILNADU LTD						
	At the beginning of the year 01-Apr-2015	1040006	26.0001	1040006	26.0001	'IN30059710269372	AAACE1670K
	At the end of the Year 31-Mar-2016	1040006	26.0001	1040006	26.0001		
	STUR TECHNOLOGIES PVT LTD						
2	At the beginning of the year 01-Apr-2015	450000	11.2499	450000	11.2499	'IN30048414280674	AABCN2738A
	At the end of the Year 31-Mar-2016	450000	11.2499	450000	11.2499		
	SHANMUGAM THIAGARAJAN *						
3	At the beginning of the year 01-Apr-2015	369483	9.2370	369483	9.2370	'1301740000164995	DZCPS9718F
	At the end of the Year 31-Mar-2016	369483	9.2370	369483	9.2370		
	SOUTHERN PROJECTS MANAGEMENT PVT LTD						
4	At the beginning of the year 01-Apr-2015	254371	6.3592	254371	6.3592	'IN30048413511068	AAKCS9432P
	At the end of the Year 31-Mar-2016	254371	6.3592	254371	6.3592		
	STUR PROJECTS MANAGEMENT PVT LTD						
5	At the beginning of the year 01-Apr-2015	1	0.0000	1	0.0000	'IN30048414288023	AABCN2739B
	At the end of the Year 31-Mar-2016	1	0.0000	1	0.0000		

\* NOTE : Due to closure of Madras Stock Exchange operations, new DP ID was created. Hence there is no sale/purchase.

**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**

Sl No	Name of the Share holder	Shareholding at the beginning of the year		Shareholding during the year		FOLIO/DP_CL_ID	PAN
		No of shares	% of total shares of the company	No of shares	% of total shares of the company		
1	VINAY RAO K						
	At the beginning of the year 01-Apr-2015	50500	1.2624	50500	1.2624	IN300718310939079	ACAPR7839Q
	Purchase 27-Nov-2015	9500	0.2374	60000	1.4999		
	Purchase 04-Dec-2015	1000	0.0249	61000	1.5249		
	Purchase 31-Mar-2016	200	0.0049	61200	1.5299		
	At the end of the Year 31-Mar-2016	61200	1.5299	61200	1.5299		
2	SANGEEETHA S						
	At the beginning of the year 01-Apr-2015	46060	1.1514	46060	1.1514	IN30131320493057	AIJPS3739F
	Purchase 08-May-2015	1980	0.0494	48040	1.2009		
	Purchase 05-Jun-2015	648	0.0161	48688	1.2171		
	Purchase 31-Jul-2015	2603	0.0650	51291	1.2822		
	Purchase 07-Aug-2015	500	0.0124	51791	1.2947		
	Purchase 30-Oct-2015	350	0.0087	52141	1.3035		
	Purchase 13-Nov-2015	1000	0.0249	53141	1.3285		
	Purchase 19-Feb-2016	749	0.0187	53890	1.3472		
	Purchase 18-Mar-2016	270	0.0067	54160	1.3539		
	At the end of the Year 31-Mar-2016	54160	1.3539	54160	1.3539		
3	ARUN MITTAL						
	At the beginning of the year 01-Apr-2015	37803	0.9450	37803	0.9450	'IN300688510389916	AALPM9125H
	At the end of the Year 31-Mar-2016	37803	0.9450	37803	0.9450		
4	CAMEL FOODS PVT LTD.						
	At the beginning of the year 01-Apr-2015	33053	0.8263	33053	0.8263	'IN30072410100262	AABCC2934P
	Purchase 10-Apr-2015	1754	0.0438	34807	0.8701		
	Purchase 17-Apr-2015	2078	0.0519	36885	0.9221		
	Sale 24-Apr-2015	-20	0.0004	36865	0.9216		
	Purchase 08-May-2015	4014	0.1003	40879	1.0219		
	Purchase 22-May-2015	2523	0.0630	43402	1.0850		
	Purchase 29-May-2015	1150	0.0287	44552	1.1137		
	Sale 07-Aug-2015	-20	0.0004	44532	1.1132		
	Sale 04-Sep-2015	-5250	0.1312	39282	0.9820		
	Sale 11-Sep-2015	-16849	0.4212	22433	0.5608		
	Purchase 16-Oct-2015	560	0.0139	22993	0.5748		
	Purchase 23-Oct-2015	150	0.0037	23143	0.5785		
	Sale 06-Nov-2015	-892	0.0222	22251	0.5562		
	Sale 20-Nov-2015	-2741	0.0685	19510	0.4877		
	Sale 27-Nov-2015	-12720	0.3179	6790	0.1697		

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	Sale 04-Dec-2015	-6790	0.1697	0	0.0000		
	Purchase 15-Jan-2016	4665	0.1166	4665	0.1166		
	Purchase 29-Jan-2016	290	0.0072	4955	0.1238		
	Purchase 05-Feb-2016	6859	0.1714	11814	0.2953		
	Purchase 12-Feb-2016	16693	0.4173	28507	0.7126		
	Purchase 19-Feb-2016	3737	0.0934	32244	0.8060		
	Purchase 26-Feb-2016	2055	0.0513	34299	0.8574		
	Sale 04-Mar-2016	-1400	0.0349	32899	0.8224		
	Purchase 18-Mar-2016	1727	0.0431	34626	0.8656		
	Sale 31-Mar-2016	-873	0.0218	33753	0.8438		
	At the end of the Year 31-Mar-2016	33753	0.8438	33753	0.8438		
5	MANOJ DUA						
	At the beginning of the year 01-Apr-2015	30030	0.7507	30030	0.7507	'IN30072410098164	AFLPD8609L
	Purchase 17-Apr-2015	5121	0.1280	35151	0.8787		
	Sale 04-Dec-2015	-5979	0.1494	29172	0.7292		
	Sale 11-Dec-2015	-21198	0.5299	7974	0.1993		
	At the end of the Year 31-Mar-2016	7974	0.1993	7974	0.1993		
6	RAMESH CHAND S						
	At the beginning of the year 01-Apr-2015	25734	0.6433	25734	0.6433	'IN30226910242099	AACPJ8788N
	Purchase 27-Nov-2015	1000	0.0249	26734	0.6683		
	Purchase 15-Jan-2016	1000	0.0249	27734	0.6933		
	At the end of the Year 31-Mar-2016	27734	0.6933	27734	0.6933		
7	SAVITHA S						
	At the beginning of the year 01-Apr-2015	24958	0.6239	24958	0.6239	'IN30131320493065	AIJPS2695E
	At the end of the Year 31-Mar-2016	24958	0.6239	24958	0.6239		
8	FAIRDEAL INFIN SERVICES PVT.LTD.						
	At the beginning of the year 01-Apr-2015	22110	0.5527	22110	0.5527	'1203560000001542	AAACF2200N
	Sale 07-Aug-2015	-22110	0.5527	0	0.0000		
	At the end of the Year 31-Mar-2016	0	0.0000	0	0.0000		
9	RAJ KARNI DUA						
	At the beginning of the year 01-Apr-2015	19325	0.4831	19325	0.4831	'IN30072410098148	ADWPD1457H
	Sale 04-Dec-2015	-17370	0.4342	1955	0.0488		
	Sale 11-Dec-2015	-1955	0.0488	0	0.0000		
	At the end of the Year 31-Mar-2016	0	0.0000	0	0.0000		
10	ASHOK KUMAR JAIN						
	At the beginning of the year 01-Apr-2015	16024	0.4005	16024	0.4005	'IN30076510163390	ACPPJ9566K
	Sale 17-Apr-2015	-5940	0.1484	10084	0.2520		
	Sale 24-Apr-2015	-7	0.0001	10077	0.2519		
	Sale 01-May-2015	-8628	0.2156	1449	0.0362		
	Sale 29-May-2015	-1449	0.0362	0	0.0000		
	At the end of the Year 31-Mar-2016	0	0.0000	0	0.0000		



**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 : ELNET TECHNOLOGIES LTD**

Sl No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year		FOLIO/DP_C_L_ID	PAN
		No of shares	“% of total shares of the company”	No of shares	“% of total shares of the company”		
1	UNNAMALAI THIAGARAJAN .						
	At the beginning of the year 01-Apr-2015	500	0.0124	500	0.0124	1301740000123099	ABFPT9557K
	At the end of the Year 31-Mar-2016	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
	Indebtedness at the beginning of the year	Principal Amount	Interest accrued but not due	Principal Amount	Interest accrued but not due	Interest accrued but not due	Interest accrued but not due	
i) Principal Amount								
a) Shri Shanmugham Thiagarajan		3,66,24,742.00		3,66,24,742.00				3,66,24,742.00
b) Stur Technologies Pvt. Ltd		60,09,141.00		60,09,141.00				60,09,141.00
ii) Interest due but not paid								
ii) Interest accrued but not due								
Total (+i+ii+iii)				4,26,33,883				4,26,33,883
<b>Indebtedness at the end of the year</b>								
i) Principal Amount								
a) Shri Shanmugham Thiagarajan		3,66,24,742		3,66,24,742				3,66,24,742
b) Stur Technologies Pvt. Ltd		60,09,141		60,09,141				60,09,141
ii) Interest due but not paid								
ii) Interest accrued but not due								
Total (+i+ii+iii)				4,26,33,883				4,26,33,883

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### 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 2015-16 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	3,99,000/-
2	Other Non-Executive Directors • Fee for attending board committee meetings • Commission • Others, please specify	As per annexure B	2,87,000/-
	Total (1+2)		6,86,000/-
	Total (A+B) Remuneration		<b>20,86,000/-</b>
	Overall Ceiling as per the Act		<b>100,06,100/-</b>

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/  
MANAGER/WTD**

(₹ in lakhs)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1	Gross salary				
	(a) (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	7.41/-	16.22/-	23.63/-
	(b) V(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	0.15/-	0.15/-	0.30/-
	(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>7.56/-</b>	<b>16.37/-</b>	<b>23.93/-</b>

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### PARTICULARS OF REMUNERATION:

The information require under Section 197 of the Act and the Rules made there under,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	2.86

- (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	20%
Tr. S. LakshmiNarasimhan - Company Secretary	15%

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

17.00%

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

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- (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)	37.93
Revenue from operations	2208.41
Remuneration (as % of revenue)	1.72%
Profit before tax (PBT)	979.78
Remuneration (as % of PBT)	3.87%

- (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 16	As at 31st Mar 15	Variation %
Closing rate of share at BSE ( ₹ )	71.90	66.00	0.70
EPS ( ₹ )	16.12	14.07	(0.04)
Market Capitalization ( ₹ in Lakhs )	2876.00	2,640.00	0.70
Price Earnings Ratio	4.46	4.69	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 2015-16 was 17 %. Percentage increase in managerial remuneration excluding MD for the year was 17.50% and there were no increase in remuneration of the Managing Director. The increase in remunerations is in line with the market trends.

- (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	16.37	7.56
Revenue ( ₹ in Lakhs )	2208.40	2208.40	2208.40
Remuneration (as % of revenue)	0.63%	0.74%	0.34%
Profits before tax (PBT) ( ₹ in Lakhs)	979.78	979.78	979.78
Remuneration (as % of PBT)	1.43%	1.67%	0.77%

- (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;**

37.11%

- (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					

## **ANNEXURE II**

### **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 SEBI ( Listing Obligation and Disclosure Requirements ) Regulations 2015 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 : 01.04.2016

Place : Chennai

Yours Faithfully,

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

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### ANNEXURE III

#### DISCLOSURE REPORT ON CSR ACTIVITIES

As per the Companies Act, 2013, Elnet has a policy 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 under [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 : ₹ 838 Lakhs

Prescribed CSR Expenditure (Two percent of the amount as in ₹ 16.76 lakhs

Details of CSR spent during the financial year : ₹ 16.76 Lakhs

Total amount to be spent for the financial year; ₹ 16.76 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	Construction of Sanitation Facilities	RDO, Uliampalayam village	Coimbatore District, Tamilnadu State	₹ 2,50,000/-	₹ 2,50,000/-	NA	NA
2	Preventive health care	Cancer Institute, WIA, Adyar	Chennai, Taimilnadu	₹ 14,26,000/-	₹ 14,26,000/-	NA	NA
	TOTAL			₹ 16,76,000/-	₹ 16,76,000/-		

Notes:

- In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.
- A responsibility statement of the CSR committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company

<b>Unnamalai Thiagarajan</b> Managing Director DIN : 00203154	<b>J. Ravi</b> (Chairman CSR Committee) DIN : 00042953
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## ANNEXURE - IV

### 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

- Name(s) of the related party and nature of relationship
- Nature of contracts/arrangements/transactions
- Duration of the contracts/arrangements/transactions
- Salient terms of the contracts or arrangements or transactions including the value, if any:
- Date(s) of approval by the Board, if any:
- Amount paid as advances, if any:

Form shall be signed by the persons who have signed the Board's report.

#### Related Party Disclosures

<b>I. Name of the related party</b>	<b>Electronic 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. (2015: ₹1/-) 2. Web hosting charges ₹8,427/-. (2015 : ₹ 8,427/-) 3. Sitting fees ₹91,000. (2015: ₹ 119,000)
Any other element of the transaction necessary for understanding the transaction	Nil
Amount outstanding at the balance sheet date	₹11,03,25,257 (2015: ₹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 (2015: 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>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 (2015: 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/- (2015: ₹ 60,09,141/-) (b) ₹1,46,503/- (2015: ₹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/- (2015: ₹ 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/- (2015: ₹ 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/- (2015: ₹ 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

For and on behalf of the Board of Directors,

Place : Chennai

**TMT. UNNAMALAI THIAGARAJAN**

**THIRU P.MANIVANNAN**

Date : 06.05.2015

MANAGING DIRECTOR

DIRECTOR

DIN : 00203154

DIN : 07323312

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

### (Pursuant to Regulation 17(8) of SEBI(LODR) Regulations, 2015)

In terms of Regulation 17(8) of SEBI (LODR) Regulations, 2015, We, Tmt. Unnamalai Thiagarajan, Managing Director and Thiru T.K. Karthik, Chief Financial Officer of Elnet Technologies Limited, certify that:

- We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
  - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - 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.
- 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.
- 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.

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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

**UNNAMALAI THIAGARAJAN**

**THIRU T.K.KARTHIK**

Date : 06.05.2015

MANAGING DIRECTOR

Chief Financial Officer

### **CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE**

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

We have examined the compliance conditions of corporate governance by ELNET Technologies Limited for the Financial year ended March 31, 2016 as stipulated in Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring 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 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 : 06.05.2016

For BP & Associates.

Company Secretaries

COP : 8315

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

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2016

[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

We 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 us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the ELNET TECHNOLOGIES LIMITED's 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 authorised representatives during the conduct of secretarial audit and as per the explanations given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 generally 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:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by ELNET TECHNOLOGIES LIMITED for the financial year ended on 31st March, 2016 according to the applicable provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iii) 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;
- (iv) 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;

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- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.
- (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (v) The payment of gratuity act 1972;
- (vi) The Employees Provident Funds and Miscellaneous Provisions Act, 1952;
- (vii) The Employees' State Insurance Act, 1948;
- (viii) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

With respect to Fiscal laws such as Income Tax, Value Added Tax, Central Excise Act and Service Tax Rules, we have reviewed the systems and mechanisms established by the Company for ensuring compliances under various Acts and based on the information and explanation provided to us by the management and officers of the Company and also on verification of compliance reports taken on record by the Board of Directors of the Company, we report that adequate systems are in place to monitor and ensure compliance of fiscal laws as mentioned above.

We 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 Agreement entered into by the Company with BSE Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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 (Issue and Listing of Debt Securities) Regulations, 2008;
- (iii) the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

- (iv) the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998
- (v) the Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (vi) the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

We 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.

We 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

For BP & Associates  
Company Secretaries

S. Bhaskar  
Partner

Place : Chennai  
Date : 06.05.2016

ACS No.10798  
CP No. : 8315

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### ANNEXURE A

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

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Account of the company
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For BP & Associates,  
S. Bhaskar  
Partner  
Practising Company Secretary  
ACS No.10798  
CP : 8315

Place : Chennai  
Date : 06.05.2016



## **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, 1956. 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 2016. The composition of the Board is in conformity with Regulations of SEBI (LODR) Regulation 2015. The day-to-day management of the company is carried on by Tmt. Unnamalai Thiagarajan, Managing Director & 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 31.03.2016, and the same has 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 directorship, membership/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 2016 is given below:

Sl. 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, Retd., IAS 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 Independent Director	-	-	-	-
8	Thiru G. Senrayaperumal Non-Executive Independent Director	-	-	-	-
9	Dr. V. Dharmalingam Non-Executive Independent Director	-	2	-	2
10	Thiru K.Kasim, Retd., IPS Non-Executive Independent Director	-	1	-	1
11	Thiru G.Chellakrishna Non-Executive Independent Director	-	3	1	-
12	Thiru P. Manivannan Non-Executive Director	-	-	-	-

## Notes:

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

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

The Board met Five times during the financial year 2015-2016. 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 SEBI ( LODR ) Regulations 2015.

The company places before the Board all those details as required under SEBI (LODR), Regulations, 2015. 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. Those that cannot be included in the agenda are tabled at the meeting. The chairman and the managing director appraise 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. No	Name of the Director	No. of Board Meetings held	No. of Board Meetings attended	Attendance at the last AGM
1	Thiru Atul Anand, IAS	5	1	Present
2	Tmt. Unnamalai Thiagarajan	5	5	Present
3	Thiru C. Ramachandran, IAS, (Retd.,)	5	4	Absent
4	Thiru J. Ravi	5	4	Present
5	Thiru R. Ganapathi	5	2	Absent
6	Thiru H. Karthik Seshadri	5	4	Absent
7	Thiru K. Padmanaban	5	4	Present
8	Thiru G. Senrayaperumal	5	3	Present
9	Dr.V. Dharmalingam	5	1	Absent
10	Thiru K. Kasim, IPS (Retd.,)	5	5	Present
11	Thiru G. Chellakrishna	5	4	Present
12	Thiru P. Manivannan	3	2	NA

### 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 Regulation 18 of SEBI (LODR), Regulations, 2015 and also those specified in section 177 of the Companies Act 2013. The terms of reference broadly include.

- Review the adequacy and effectiveness of the Company's system and internal controls.
- Review and discuss with the Management, the Company's major financial risk exposures and steps taken by the Management to monitor and control such exposure.
- To oversee and review the functioning of a vigil mechanism and to review the findings of investigation into cases of material nature and the actions taken in respect thereof.

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 2016.

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 2016, 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 Regulation 18 of SEBI (LODR), Regulations, 2015. Chairman of the Audit Committee was present at the previous Annual General Meeting of the company held on 08th July 2015. The audit committee met Four times during the year on 22.05.2015, 29.07.2015, 30.10.2015 and 29.01.2016 respectively. The details are as follows:

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

Sl. No.	Name of the Director	Number of audit committee Meetings during their tenure	Number of audit committee meetings attended
1.	Thiru G. Chellakrishna - Chairman	4	4
2.	Thiru C. Ramachandran IAS (Retd.) – Member	4	3
3.	Thiru R. Ganapathi – Member	4	2
4.	Thiru H. Karthik Seshadri – Member	4	3
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, focusing primarily on (i) any change in accounting policies and practices, (ii) major

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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 SEBI (LODR), Regulations, 2015 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 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 (17.03.2016)
1	Thiru.R. Ganapathi-Chairman	Present
2	Thiru C. Ramachandran, IAS (Retd.) -Member	Present
3	Thiru H. Karthik Seshadri – Member	Present

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 2015-2016 the committee met on 17.03.2016. 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 and the same has been enumerated in the Nomination and Remuneration policy

**Details of Sitting Fees paid to Non-Executive Directors during the financial year 2015-2016 :**

**(Amount in ₹)**

Name of the Directors	Board Meeting	Share Transfer Committee Meetings	Stakeholder Relationship Committee Meetings	Audit Committee Meeting	Corporate Social Responsibility committee	Meeting of Independent Directors	Nomination & Remuneration Committee
Thiru Atul Anand, IAS	7000	Nil	Nil	Nil	Nil	Nil	Nil
Thiru K. Padmanaban	28000	Nil	Nil	28000	14000	Nil	Nil
Thiru P. Manivannan	14000	Nil	Nil	Nil	Nil	Nil	Nil
Thiru G. Chellakrishna	28000	Nil	Nil	28000	Nil	7000	Nil
Dr.V. Dharmalingam	7000	Nil	Nil	Nil	Nil	Nil	Nil
Thiru R. Ganapathi	14000	Nil	21000	14000	Nil	7000	7000
Thiru C. Ramachandran	28000	7000	21000	21000	Nil	Nil	7000
Thiru J. Ravi	28000	70000	Nil	Nil	14000	Nil	Nil
Thiru H. Karthik Seshadri	28000	70000	28000	21000	14000	7000	7000
Thiru G. Senrayaperumal	21000	Nil	Nil	Nil	Nil	Nil	Nil
Thiru K. Kasim	35000	Nil	Nil	28000	Nil	7000	Nil

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, 2016.

**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 24th Annual General Meeting of the company.

Total remuneration paid to Tmt. Unnamalai Thiagarajan, Managing Director, during the Financial Year 2015-16 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 Regulation 17(10) of SEBI (LODR), Regulations 2015, 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.

#### Complaints received and redressed during the year 2015-2016 :

S.No.	Nature of Complaints	Number of Complaints
1	Revalidation of dividend warrant	39
2	Procedure for Issue of duplicate share certificate, transfer & transmission	11
3	General queries	1
4	Change of address	2
	<b>TOTAL</b>	<b>53</b>

No complaints were pending unresolved during the year ended 31.03.2016.

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:

The Board decided that a Share Transfer committee be re-constituted at its meeting held on 29.01.2016, with Thiru C. Ramachandran, IAS (Retd.), 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 members of the said re-constituted 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
3	Tr. C. Ramachandran, IAS (Retd.), Member	Non-Executive Director

The committee also reviews the performance of the Registrar and Share Transfer Agents. The committee met Ten times during the year 2015-2016. The committee approved the transfer of 1200 shares in physical form.

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, 2016, 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	Tr. R. Ganapathi, Member	Non-Executive Independent Director
2	Tr. 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 29.01.2016, 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.

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### 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:

Annual General Meetings of the Company :

Venue	Financial Year	Date & Time
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
New Woodlands Hotel Pvt. Ltd., Chennai	2014-2015	08th July 2015 at 11.00 AM

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

AGM	Subject
22nd AGM	Statutory Auditor appointment
23rd AGM	Statutory Auditor appointment
24th AGM	Statutory Auditor appointment

No Extraordinary General Meeting was conducted during financial year 2015-2016.

#### 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
22nd AGM	Not applicable
23rd AGM	Statutory Auditor appointment
24th 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 co-ordinated 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 can be 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.

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- 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.
- 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 2015-16, 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 Business Line 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 SEBI (LODR) Regulations, 2015. 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 SEBI (LODR), Regulations, 2015, 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 Regulation 17(5) of SEBI (LODR), Regulations, 2015, the Board members and senior management personnel have affirmed compliance with the code of conduct for the financial year 2015-2016.

## 17. GENERAL SHAREHOLDER INFORMATION

### a) Annual General Meeting :

Date and time:	15.06.2016 at 11.00 A.M.
Venue :	New Woodlands Hotel Pvt. Ltd., Chennai No.72-75, Dr.RadhakrishnanSalai, Mylapore, Chennai 600 004.
Book Closure Date :	09.06.2016 to 15.06.2016 (both days inclusive)
Financial Year:	1st April 2015 to 31st March 2016

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

Financial Results for the quarter ending June 30, 2016	Last week of July 2016
Financial Results for the quarter ending September 30,2016	Last week of Oct 2016
Financial Results for the quarter ending December 31,2016	Last week of Jan 2017
Financial Results for the quarter ending March 31,2017	During May 2017

### c) Particulars of Dividend for the year ended 31.03.2016

Date of declaration	15.06.2016
Rate of dividend	17%
Book Closure Date	09.06.2016 to 15.06.2016
Date of payment of dividend	Dividend will be paid on or after 15.06.2016 but not later than 14.07.2016
Amount of dividend paid	₹ 1.70 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
--

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

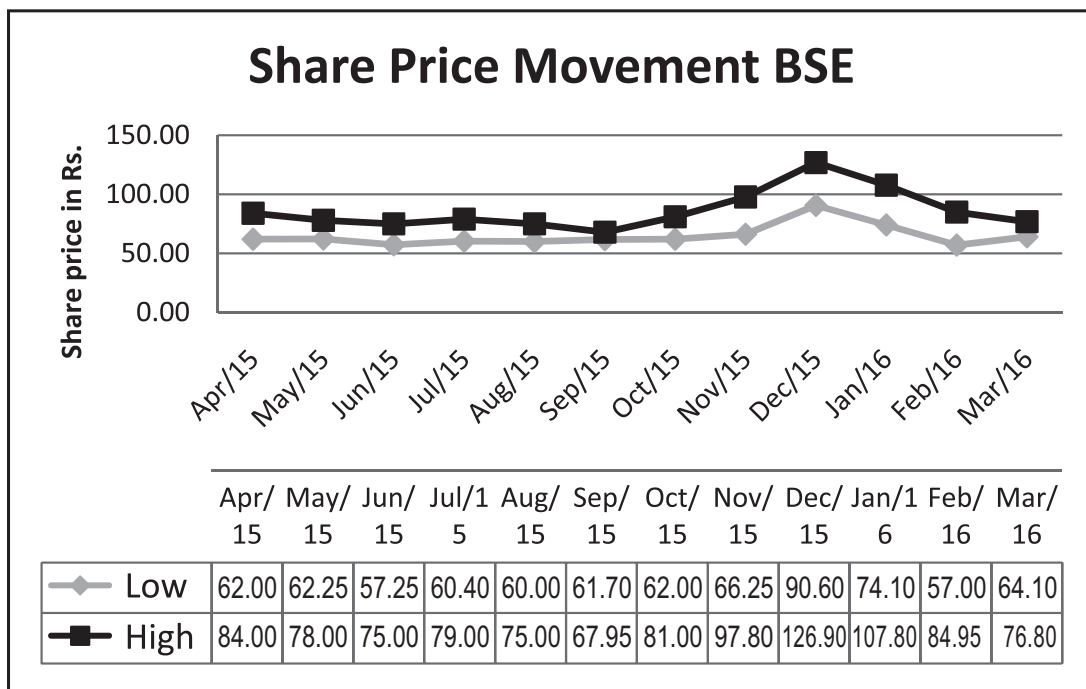
NSDL : INE033C01019

CDSL :INE033C01613

(Note: Annual Listing fees for the year 2016-17 were duly paid to the above stock exchange)

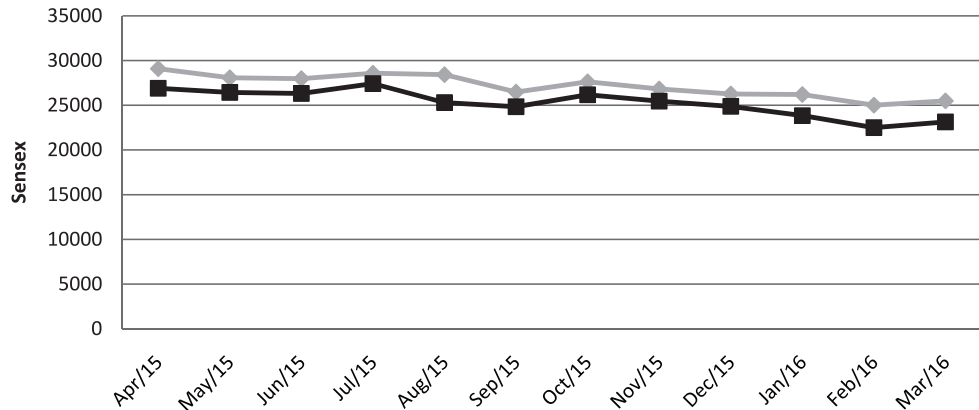
## TWENTY FIFTH ANNUAL REPORT 2015 - 16

### e) Stock Market Data.



Month	Low Price	High Price
Apr-15	62.00	84.00
May-15	62.25	78.00
Jun-15	57.25	75.00
Jul-15	60.40	79.00
Aug-15	60.00	75.00
Sep-15	61.70	67.95
Oct-15	62.00	81.00
Nov-15	66.25	97.80
Dec-15	90.60	126.90
Jan-16	74.10	107.80
Feb-16	57.00	84.95
Mar-16	64.10	76.80

### Performance - Broad Based Indices - BSE



	Apr/15	May/15	Jun/15	Jul/15	Aug/15	Sep/15	Oct/15	Nov/15	Dec/15	Jan/16	Feb/16	Mar/16
Low	26897.54	26423.99	26307.07	27416.39	25298.42	24833.54	26168.71	25451.42	24867.73	23839.76	22494.61	23133.18
High	29094.61	28071.16	27968.75	28578.33	28417.59	26471.82	27618.14	26824.30	26256.42	26197.27	25002.32	25479.62

Month	Low	High
Apr-15	26897.54	29094.61
May-15	26423.99	28071.16
Jun-15	26307.07	27968.75
Jul-15	27416.39	28578.33
Aug-15	25298.42	28417.59
Sep-15	24833.54	26471.82
Oct-15	26168.71	27618.14
Nov-15	25451.42	26824.3
Dec-15	24867.73	26256.42
Jan-16	23839.76	26197.27
Feb-16	22494.61	25002.32
Mar-16	23133.18	25479.62

## TWENTY FIFTH ANNUAL REPORT 2015 - 16

### f) Shareholding Pattern as on 31st March 2016

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 THEIR RELATIVES	1	-	369483	369483	9.24
PUBLIC INSTITUTIONS					
a. MUTUAL FUNDS/UTI	-	-	-	-	-
b. FINANCIAL INSTITUTIONS/BANKS	-	-	-	-	-
c. INSURANCE COMPANIES	-	-	-	-	-
d. FOREIGN INSTITUTIONAL INVESTORS	-	-	-	-	-
e. CLEARING MEMBER	9	-	2416	2416	0.06
II. NON-INSTITUTIONS					
a. BODIES CORPORATE	110	9900	122573	132473	3.31
b. INDIVIDUALS	6207	236472	1488126	1724598	43.11
c. NON-RESIDENT INDIANS	38	-	26659	26659	0.66
<b>TOTAL</b>	<b>6369</b>	<b>246372</b>	<b>3753635</b>	<b>4000007</b>	<b>100</b>

### g) Distribution of Shareholding as on 31st March 2016

Number of Equity Shares held	Number of Share holders	Number of Shares	% of Capital
Upto 500	5903	761407	19.04
501-1000	242	197196	4.93
1001-2000	111	170178	4.25
2001-3000	43	110268	2.76
3001-4000	25	89418	2.24
4001-5000	12	55739	1.39
5001-10000	15	116478	2.91
10001 AND ABOVE	18	2499323	62.48
<b>Total</b>	<b>6369</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 the 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 has, during the year, also sent reminders letter to shareholders providing them with the details of unpaid dividend with respect to their amounts. The details of the same are enumerated below:

No. of reminders letters sent	3698
No. of letters returned	407
No. of replies received and responded by the company	323
No. of dividend payment processed	120

**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 2016, 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. 37,53,535 equity shares representing 93.84% of the paid up equity capital have been dematerialized as on 31st March 2016.

### 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 quarterly/half yearly/annual audited results are also posted on to 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.

## **Board Diversity**

Your Company has over the years been fortunate to have eminent persons from diverse fields as Directors on its Board.

Pursuant to SEBI Regulations, the Nomination & Remuneration Committee has formalized a policy on Board Diversity to ensure diversity of experience, knowledge, perspective, background, gender, age and culture.

An appropriate induction programme for new Directors and ongoing familiarization with respect to the business/working of the Company for all Directors is a major contributor for meaningful Board level deliberations and sound business decisions.

At the time of appointing a Director, a formal letter of appointment is given to him/her which, interalia, explains his/her role, function, duties and responsibilities and the Board's expectations from him/her as a Director of the Company. The Director is also explained in detail, the compliances required from him/her under the Act, SEBI Regulations and other relevant regulations and his/her affirmation taken with respect to the same.

Details of familiarization of Independent Directors are available on the website of the company and can be accessed through web link <http://www.elnettechnologies.com>.

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### **DECLARATION BY MANAGING DIRECTOR ON CODE OF CONDUCT UNDER REGULATION 17(5) OF SEBI (LODR), REGULATIONS, 2015**

To

The Members

I, here by 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, 2016.

Place : Chennai  
Date : 06.05.2016

**UNNAMALAI THIAGARAJAN**  
Managing Director

**INDEPENDENT AUDITORS' 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 comprises the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and 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 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.

**Auditors' 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 there under.

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 standalone 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 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

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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 March 31, 2016, and its Profit and its Cash Flow for the year ended on that date.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("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", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by sub-section 3 of Section 143 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 purpose 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 written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and
  - (g) 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 4.8 to the financial statements;

- (ii) The Company did not have any provision 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 : 06.05.2016

for **S.H. Bhandari & Co**  
Chartered Accountants  
FRN: 000438S

**Sreedhar Sreekakulam**  
Partner  
Membership No.: 026474

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

The annexure referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Elnet Technologies Ltd on the standalone financial statements for the year ended 31st March 2016, 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 the program, 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 size of the company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of examination of the records of the company, the title deeds of immovable properties are held in the name of the company
- (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) According to information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Thus, the provisions of paragraph 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.

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- (iv) According to the information and explanations given to us, the provisions of section 185 and 186 of the Companies Act, 2013 are not applicable in respect of investments made during the year.
- (v) According to information and explanations given to us, the Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable and hence not commented upon
- (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 information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been regularly deposited undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, cess and other material statutory dues with the appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts payable in respect of the Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, cess and other material statutory dues were in arrears as at March 31, 2016 for a period of more than six months from the date on when they become payable.
- (b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding 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, 2016.

Name Of the Statute	Nature of the dues	Period	Amount (In Rs.)	Forum where dispute is pending
Income-tax Act, 1961	Income Tax	AY 2007-2008	11,30,593	Commissioner of Income Tax (Appeals)
Income-tax Act, 1961	Income Tax	AY 2009-2010	47,475	Commissioner of Income Tax (Appeals)
Finance Act, 1994	Service tax on Electricity	October 2010 - March 2011	22,71,949	Office of the Commissioner of Service Tax, Chennai
Finance Act, 1994	Service tax on Electricity	April 2010 - September 2010	20,45,540	Office of the Commissioner of Service Tax, Chennai
Finance Act, 1994	Service tax on Electricity	August 2009 - March 2010	27,66,385	Office of the Commissioner of Service Tax, Chennai
Finance Act, 1994	Service tax on Electricity	August 2008 - July 2009	47,38,839	Office of the Commissioner of Service Tax, Chennai
Finance Act, 1994	Service Tax on Electricity	April 2006 - July 2008	1,21,40,756	Office of the Commissioner of Service Tax, Chennai
Finance Act, 1994	Service Tax on Electricity	April 2011 - March 2012	43,01,070	Office of the Commissioner of Service Tax, Chennai



- (viii) The Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year. Accordingly, paragraph 3 (viii) of the Order is not applicable and hence not commented upon
- (xi) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of paragraph 3 (ix) of the Order are not applicable to the Company and hence not commented upon
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of paragraph 4 (xii) of the Order are not applicable to the Company
- (xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of the Act and the details have been disclosed in the Financial Statements as required by the applicable accounting standards
- (xiv) According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of paragraph 3 (xiv) of the Order are not applicable to the Company
- (xv) According to the information and explanations given to us by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable to the company
- (xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

Place: Chennai  
Date : 06.05.2016

for **S.H. Bhandari & Co**  
Chartered Accountants  
FRN: 000438S  
**Sreedhar Sreekakulam**  
Partner  
Membership No.: 026474

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

The annexure referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Elnet Technologies Ltd on the standalone financial statements for the year ended 31st March,2016.

#### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Elnet Technologies Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Chennai  
Date : 06.05.2016

for **S.H. Bhandari & Co**  
Chartered Accountants  
FRN: 000438S

**Sreedhar Sreekakulam**  
Partner  
Membership No.: 026474

## TWENTY FIFTH ANNUAL REPORT 2015 - 16

<b>BALANCE SHEET</b>			
Particulars	Note No.	As at	As at
		31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
		₹	₹
<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	490,043,822	433,735,804
		<b>530,043,892</b>	<b>473,735,874</b>
<b>2 Non-current liabilities</b>			
(a) Long-Term Borrowings	3	42,633,883	42,633,883
(b) Deferred Tax Liabilities (Net)	21 (3.5)	9,484,430	16,359,705
(c) Other Long-Term Liabilities	4	133,329,797	124,486,584
(d) Long-Term Provisions	5	1,314,317	968,807
		<b>186,762,427</b>	<b>184,448,979</b>
<b>3 Current Liabilities</b>			
(a) Trade Payables	6	-	-
Due to Micro and Small Enterprises			
Due to Others		6,742,718	588,579
(b) Other Current Liabilities	7	2,520,835	3,849,918
(c) Short-Term Provisions	8	10,002,494	7,932,812
		19,266,047	12,371,309
<b>TOTAL</b>		<b>736,072,366</b>	<b>670,556,162</b>
<b>B ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	9 (i)	365,361,922	383,032,859
(ii) Intangible Assets	9 (ii)	-	-
		<b>365,361,922</b>	<b>383,032,859</b>
(b) Non-Current Investments	10	71,253,000	31,253,000
(c) Long-Term Loans and Advances	11	21,783,227	18,542,220
(d) Other Non Current Assets	12	-	13,000,000
		<b>93,036,227</b>	<b>62,795,220</b>
<b>2 Current Assets</b>			
(a) Trade Receivables	13	18,298,993	18,315,059
(b) Cash and Cash Equivalents	14	246,749,883	185,970,762
(c) Short-Term Loans and Advances	15	2,934,784	7,311,259
(d) Other Current Assets	16	9,690,557	13,131,003
		<b>277,674,217</b>	<b>224,728,083</b>
<b>TOTAL</b>		<b>736,072,366</b>	<b>670,556,162</b>
Significant Accounting Policies and Explanatory Statement	21		

Note 21 is an intergral part of these financial statements

For and on behalf of the Board of Directors

**Unnamalai Thiagarajan**  
Managing Director

**T.K.Karthik**  
Chief Financial Officer  
Place : Chennai  
Date : 06.05.2016

**G. Chellakrishna**  
Director

**S.Lakshmi Narasimhan**  
Company Secretary

**P. Manivannan**  
Director

As per our Report attached

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

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

<b>STATEMENT OF PROFIT AND LOSS</b>			
Particulars	Note No.	For the year ended	For the year ended
		31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
		₹	₹
<b>A CONTINUING OPERATIONS</b>			
1 Revenue from Operations	17	220,840,855	214,771,023
2 Other Income	18	20,594,310	18,233,339
3 Total Revenue		<b>241,435,165</b>	<b>233,004,362</b>
<b>4 Expenses</b>			
(a) Employee Benefits Expense	19	16,720,300	15,416,395
(b) Depreciation and Amortisation Expense	9	41,627,691	49,100,449
(c) Other Expenses	20	85,109,492	83,748,178
Total Expenses		<b>143,457,483</b>	<b>148,265,022</b>
<b>5 Profit / (Loss) before tax</b>		<b>97,977,682</b>	<b>84,739,340</b>
6 Tax Expense:			
(a) Current Tax Expense for current year		40,417,000	37,000,000
(b) Current Tax Expense for prior years		-25,181	-920,448
(c) Deferred Tax	21 (3.5)	(6,875,275)	(7,610,531)
		33,516,544	28,469,021
<b>7 Profit / (Loss) for the year</b>		<b>64,461,138</b>	<b>56,270,319</b>
		<b>64,461,138</b>	<b>56,270,319</b>
8 Earnings per share (of face value of ₹ 10/- each):			
Basic & Diluted	21 (3.4)	16.12	14.07
Significant Accounting Policies and Explanatory Statement	21		

Note 21 is an intergral part of these financial statements

For and on behalf of the Board of Directors

**Unnamalai Thiagarajan**  
Managing Director

**T.K.Karthik**  
Chief Financial Officer  
Place : Chennai  
Date : 06.05.2016

**G. Chellakrishna**  
Director

**S.Lakshmi Narasimhan**  
Company Secretary

**P. Manivannan**  
Director

As per our Report attached

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

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

## TWENTY FIFTH ANNUAL REPORT 2015 - 16

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS

#### NOTE 1 SHARE CAPITAL

Particulars	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
	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, 2016		
- Number of shares	4,000,007	4,000,007
- Amount (₹)	40,000,070	40,000,070
Year ended 31st March, 2015		
- 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, 2016		As at 31 <sup>st</sup> March, 2015	
	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%	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</b>	<b>As at</b>
	<b>31<sup>st</sup> March, 2016</b>	<b>31<sup>st</sup> March, 2015</b>
	₹	₹
<b>(a) General reserve</b>		
Opening balance	251,190,248	236,905,976
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	-31,214	5,715,728
<b>Closing balance</b>	<b>271,221,462</b>	<b>251,190,248</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>	179,970,556	150,440,277
Add : Profit for the year - Amounts Transferred from Statement of Profit and Loss	64,461,138	56,270,319
Less : <b>Final Dividend</b>		
Dividend proposed to be distributed & Distributed to equity sharholders (₹1.70 per share respectively)	6,800,012	5,600,010
Tax on Dividend	1,384,322	1,140,030
Less : <b>Transferred to General Reserve</b>	20,000,000	20,000,000
<b>Closing balance</b>	<b>216,247,360</b>	<b>179,970,556</b>
<b>Total</b>	<b>490,043,822</b>	<b>433,735,804</b>

<b>NOTE 3 : LONG-TERM BORROWINGS</b>		
<b>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 FIFTH ANNUAL REPORT 2015 - 16

<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, 2016</b>		<b>As at 31<sup>st</sup> March, 2015</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, 2016</b>	<b>As at 31<sup>st</sup> March, 2015</b>
	<b>₹</b>	<b>₹</b>
(i) Trade / security deposits	802,887	776,224
(ii) Compensation deposits and Token Deposits	132,526,910	123,710,360
<b>Total</b>	<b>133,329,797</b>	<b>124,486,584</b>

<b>NOTE 5 : LONG-TERM PROVISIONS</b>		
(i) Provision for Compensated Absences	878,409	968,807
(ii) Provision for Gratuity	435,908	-
<b>Total</b>	<b>1,314,317</b>	<b>968,807</b>

<b>NOTE 6 : TRADE PAYABLES</b>		
<b>Trade payables:</b>		
Due to Micro and Small Enterprises	-	-
Due to Others	6,742,718	588,579
<b>Total</b>	<b>6,742,718</b>	<b>588,579</b>



<b>NOTES FORMING PART OF THE FINANCIAL STATEMENTS</b>		
<b>NOTE 7 : OTHER CURRENT LIABILITIES</b>	<b>As at 31<sup>st</sup> March, 2016</b>	<b>As at 31<sup>st</sup> March, 2015</b>
	<b>₹</b>	<b>₹</b>
<b>(a) Unpaid dividends</b>	1,863,720	2,099,924
<b>(b) Other payables</b>		
(i) Statutory Payables	510,612	467,038
(ii) Others	146,503	1,282,956
<b>Total</b>	<b>2,520,835</b>	<b>3,849,918</b>
<b>NOTE 8 : SHORT-TERM PROVISIONS</b>		
<b>(a) Provision for employee benefits:</b>		
(i) Provision for Bonus & Ex-Gratia	1,125,759	1,095,295
(ii) Provision for Compensated Absences	355,989	97,477
(iii) Provision for Gratuity	336,412	-
Sub-total	<b>1,818,160</b>	<b>1,192,772</b>
<b>(b) Provision - Others:</b>		
(i) Provision for Proposed Equity Dividend	6,800,012	5,600,010
(ii) Provision for Tax on Proposed Dividends	1,384,322	1,140,030
Sub-total	<b>8,184,334</b>	<b>6,740,040</b>
<b>Total</b>	<b>10,002,494</b>	<b>7,932,812</b>

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<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 2015	Addition During the year	Deletion During the year	Assets as on 31st March 2016	Dep. as at 31st March 2015	Dep. for the Year	Dep. on Deletions	Dep. as at 31st March 2016	Balance as at 31st March 2016	Balance as at 31st March 2015	
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	226,368,391	-	-	226,368,391	58,614,634	5,316,606	-	63,931,240	162,437,151	167,753,757	
Plant & Machinery	30,880,154	433,046	-	31,313,200	14,145,301	3,350,588	-	17,495,889	13,817,311	16,734,853	
Wind Mill	27,625,000	-	-	27,625,000	27,625,000	-	-	27,625,000	-	-	
Electrical Fittings	70,512,035	4,151,242	2,780,530	71,882,747	44,608,912	6,734,883	1,702,563	49,641,232	22,241,514	25,903,123	
Furniture & Fixture	39,715,268	60,060	-	39,775,328	28,996,756	3,604,634	-	32,601,390	7,173,938	10,718,512	
Fitouts	70,879,297	8,558,567	-	79,437,864	43,107,156	17,432,753	-	60,539,909	18,897,955	27,772,141	
Computers	1,214,108	184,293	51,002	1,347,399	833,392	285,773	51,002	1,068,163	279,236	380,716	
Air Conditioners	25,800,990	121,938	-	25,922,928	17,664,016	1,540,303	31,214	19,173,105	6,749,823	8,136,974	
UPS	10,256,996	6,086,134	1,450,000	14,893,130	10,223,672	227,224	1,450,000	9,000,896	5,892,234	33,324	
Others	15,773,418	420,339	-	16,193,757	14,555,339	453,908	-	15,009,247	1,184,510	1,218,079	
Photocopier Machine	332,620	115,290	80,620	367,290	153,604	104,531	60,017	198,118	169,172	179,016	
Multi Level Car Park	20,348,801	-	-	20,348,801	10,573,311	1,509,882	-	12,083,193	8,265,608	9,775,490	
Vehicles	2,167,422	4,893,200	-	7,060,622	414,424	1,066,605	-	1,481,029	5,579,593	1,752,998	
<b>Total</b>	<b>659,264,656</b>	<b>25,024,109</b>	<b>4,362,152</b>	<b>679,926,613</b>	<b>276,231,797</b>	<b>41,627,690</b>	<b>3,294,796</b>	<b>314,564,691</b>	<b>365,361,922</b>	<b>383,032,859</b>	
<b>Total of Previous Year</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>383,032,859</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 2015	Addition During the year	Deletion During the year	Assets as on 31st March 2016	Dep. as at 31st March 2015	Dep. for the Year	Dep. on Deletions	Dep. as at 31st March 2016	Balance as at 31st March 2016	Balance as at 31st March 2015
Computer Software	506,242	-	-	506,242	506,242	-	-	506,242	-	-
<b>Total</b>	<b>506,242</b>	<b>-</b>	<b>-</b>	<b>506,242</b>	<b>506,242</b>	<b>-</b>	<b>-</b>	<b>506,242</b>	<b>-</b>	<b>-</b>
<b>Total Of Previous Year</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>	

### NOTE 10 : NON-CURRENT INVESTMENTS

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Quoted ₹	Unquoted ₹	Quoted ₹	Unquoted ₹
<b>Investments (At cost):</b>				
<b>A Other Investment</b>				
<b>Investment in Equity Instruments</b>				
<b>(i) of Subsidiaries</b>				
1,00,000 Equity Shares (As at 31st March 2015: 1,00,000) of ₹ 10 each fully paid up in Elnet Software City Ltd.,	-	1,00,000	-	1,00,000
<b>(ii) Others</b>				
30,25,300 Equity Shares (As at 31st March 2015: 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>(iii) Investment in Mutual Fund</b>				
Axis Bank Hybrid Series 27 - Growth 4,000,000 units (As at 31st March 2015: Nil)	40,000,000	-	-	-
<b>Aggregate Amount of Quoted and Unquoted investments</b>	<b>40,000,000</b>	<b>31,253,000</b>	<b>-</b>	<b>31,253,000</b>
<b>Total Non-Current Investments</b>	<b>7,12,53,000</b>		<b>-</b>	<b>3,12,53,000</b>

Aggregate market value of quoted investments ₹ 3,95,45,200

## TWENTY FIFTH ANNUAL REPORT 2015 - 16

<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, 2016</b>		<b>As at 31<sup>st</sup> March, 2015</b>	
	₹	₹	₹	₹
<b><u>Unsecured , Considered Good</u></b>				
(a) Security deposits		6,175,263		3,970,741
(b) Loans and advances to Employees		5,340		20,762
(c) Balance with Revenue Authorities				
(i) Advance Income Tax {Net of provision for Tax for current year - ₹ 404,17,000 (Previous year ₹ 370,00,000)}	15,414,992		14,441,016	
(ii) CENVAT Credit Receivable	187,632	15,602,624	109,701	14,550,717
<b>Net Total</b>	-	<b>21,783,227</b>	-	<b>18,542,220</b>
<b>NOTE 12 : OTHER NON-CURRENT ASSETS</b>				
<b>(i) Other Bank Balances</b>				
(Bank Deposits with more than 12 months maturity)		-		13,000,000
<b>Total</b>		-		<b>13,000,000</b>
<b>NOTE 13 : TRADE RECEIVABLES</b>				
Trade Receivables outstanding for a period exceeding Six Months from the date they were due for payment		-		-
Other Trade Receivables - Secured, considered Good		18,298,993		18,315,059
<b>Total</b>		<b>18,298,993</b>		<b>18,315,059</b>
<b>NOTE 14 : CASH AND CASH EQUIVALENTS</b>				
<b>(a) Cash on hand</b>		22,569		40,063
<b>(b) Balances with banks</b>				
(i) In current accounts		863,594		1,330,775
(ii) In deposit accounts		244,000,000		182,500,000
(iii) Unpaid dividend accounts		1,863,720		2,099,924
<b>Total</b>		<b>246,749,883</b>		<b>185,970,762</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

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

Particulars	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
	₹	₹	₹	₹
<b><u>Unsecured , Considered Good</u></b>				
(a) Capital Advances		-		4,300,000
(b) Loans and Advances to Employees		80,819		90,367
(c) Advance to Suppliers		16,710		3,600
(d) Prepaid Expenses		2,837,255		2,917,292
(e) Others	356,582		356,582	
Less : Provision for Bad Debts	(356,582)	-	(356,582)	-
<b>Total</b>	-	<b>2,934,784</b>	-	<b>7,311,259</b>

**NOTE 16 : OTHER CURRENT ASSETS**

Particulars	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
	₹	₹	₹	₹
<b>(a) Accruals</b>				
(i) Interest accrued but not due on deposits		8,931,881		11,740,829
<b>(b) Stores Stock</b>		672,801		1,115,960
<b>(c) Stock of Access Card</b>		85,875		-
<b>(d) Others</b>				-
(i) Others (Gratuity Fund -Excess of fair value of plan assets over present value of obligations) Refer Note # 21 - 3.1 (ii)		-		274,214
<b>Total</b>		<b>9,690,557</b>		<b>13,131,003</b>

## TWENTY FIFTH ANNUAL REPORT 2015 - 16

<b>NOTES FORMING PART OF THE FINANCIAL STATEMENTS</b>		
<b>NOTE 17 : REVENUE FROM OPERATIONS</b>		
<b>Particulars</b>	<b>For the year ended</b>	<b>For the year ended</b>
	<b>31<sup>st</sup> March, 2016</b>	<b>31<sup>st</sup> March, 2015</b>
	₹	₹
<b>Sale of Services comprises</b>		
(a) Compensation Income	171,812,475	162,364,656
(b) Other Operating Revenues	49,028,380	52,406,367
<b>Total</b>	<b>220,840,855</b>	<b>214,771,023</b>
<b>NOTE 18 : OTHER INCOME</b>		
(a) Interest Income	20,504,745	17,625,504
(b) Other Non-Operating Income	89,565	607,835
<b>Total</b>	<b>20,594,310</b>	<b>18,233,339</b>
<b>NOTE 19 : EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and Wages	14,139,825	13,827,940
Contributions to Provident and Other Funds	2,023,057	679,662
Staff Welfare Expenses	557,418	908,793
<b>Total</b>	<b>16,720,300</b>	<b>15,416,395</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**NOTE 20 : OTHER EXPENSES**

Particulars	For the year ended 31 <sup>st</sup> March, 2016	For the year ended 31 <sup>st</sup> March, 2015
	₹	₹
Electricity ( Refer Note 21 -4.5)	32,004,725	24,103,024
Diesel	6,760,242	18,351,613
Water	1,685,585	1,939,750
Rent including Lease Rentals	1	1
Repairs and Maintenance - Buildings	17,881,109	16,285,388
Repairs and Maintenance - Machinery	4,405,233	3,647,899
Repairs and Maintenance - Others	10,813,147	8,557,023
Insurance	1,073,836	1,132,410
Rates and Taxes	2,938,448	2,596,968
Communication	434,475	487,593
Travelling and Conveyance	1,350,364	1,628,762
Printing and stationery	500,639	467,222
Business Promotion	580,135	503,113
Legal and Professional	641,786	557,914
Payments to Auditors (Refer Note below)	475,000	475,000
Sitting Fees	686,000	735,000
Bad Debts	-	5,672
CSR Contribution	1,676,000	1,535,000
Miscellaneous Expenses	519,219	738,826
Loss on Sale of Fixed Assets	683,548	-
<b>Total</b>	<b>85,109,492</b>	<b>83,748,178</b>
<b>Notes :</b>		
<b>Payments to the auditors comprises</b>		
As auditors - statutory audit	325,000	325,000
For taxation matters	75,000	75,000
For other services	75,000	75,000
<b>Total</b>	<b>475,000</b>	<b>475,000</b>

## TWENTY FIFTH ANNUAL REPORT 2015 - 16

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### NOTE 21: 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 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.

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

## TWENTY FIFTH ANNUAL REPORT 2015 - 16

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### 2.7 Investments

Investments are held as long term and are stated at Cost less provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment.

### 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 Contingent liabilities**

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. Where no reliable estimate can be made, disclosure is made as Contingent liability. A disclosure for a contingent liability is also made if there is a possible or a present obligation that may, but probably will not result in outflow of resources. 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 31.3.2016	Gratuity Plan 31.3.2015
	₹ in Lakhs	₹ in Lakhs
Projected benefit obligation at beginning of the year	21.93	19.64
Service Cost	1.79	1.01
Interest cost	4.03	1.57
Actuarial (gain)/loss	7.47	-0.29
Benefits paid	-	-
Projected benefit obligation, end of the year	35.22	21.93

**Change in plan assets:**

Particulars	Gratuity Plan 31.3.2016	Gratuity Plan 31.3.2015
	₹ in Lakhs	₹ in Lakhs
Plan assets at beginning of the year at fair value	24.67	19.38
Expected return on plan assets	2.13	1.96
Actuarial gain/(loss)	0.15	-
Employer's Contributions	0.55	3.33
Benefits paid	-	-
Plan assets at end of the year at fair value	27.50	24.67

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

Particulars	31.3.2016	31.3.2015
	₹ in Lakhs	₹ in Lakhs
Fair value of plan assets at the end of the year	27.50	24.67
Present value of the defined benefit obligations at the end of the period	-35.22	-21.93
( Liability ) / Asset	-7.72	2.74

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### Gratuity cost for the year ended March 31 2016

Particulars	Gratuity Plan 31.03.2016	Gratuity Plan 31.03.2015
	₹ in Lakhs	₹ in Lakhs
Service cost	4.03	1.01
Interest cost	1.78	1.57
Expected return on plan assets	(2.12)	(1.97)
Actuarial (gain)/ loss	7.32	(0.29)
Net cost	11.01	0.32

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

Particulars	Year ended 31.3.2016	Year ended 31.3.2015
Investment with Insurer	100%	100%
Rate of return on plan assets	8.50%	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 31.03.2016	Gratuity Plan 31.03.2015
Discount rate	8%	8%
Salary escalation rate	12%	6%
Expected employers contribution next year ( Rs in Lakhs )	1.25	0.76

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.

Change in benefit obligations (Non Funded)	Leave Encashment	
	31.3.2016	31.3.2015
Particulars	₹ in Lakhs	₹ in Lakhs
Projected benefit obligation at beginning of the year	10.65	7.40
Service Cost	1.03	3.67
Interest cost	0.75	0.47
Actuarial (gain)/loss	2.59	2.00
Benefits paid	(2.68)	(2.89)
Projected benefit obligation, end of the year	12.34	10.65

Particulars	Leave Encashment	
	31.3.2016	31.3.2015
	₹ in Lakhs	₹ in Lakhs
Service cost	1.03	3.67
Interest cost	0.74	0.47
Actuarial (gain)/ loss	2.59	2.00
Net cost	4.36	6.14

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### Assumptions

Particulars	31.3.2016	31.3.2015
Interest (Discount rate) Liability	8%	8%
Salary escalation rate (p.a.)	12%	12%
Resignation Rate (p.a.)	10%	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. (2015: ₹1/-) 2. Web hosting charges ₹8,550/-. (2015 : ₹ 8,427/-) 3. Sitting fees ₹ 91,000. (2015: ₹ 119,000)
Any other element of the transaction necessary for understanding the transaction	Nil
Amount outstanding at the balance sheet date	₹11,03,25,257 (2015: ₹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 (2015: 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 (2015: 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/- (2015: ₹ 60,09,141/-) (b) ₹1,46,503/- (2015: ₹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/- (2015: ₹ 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/- (2015: ₹ 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/- (2015: ₹ 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 Earnings per share

<b>Particulars</b>	<b>2015-16</b>	<b>2014-15</b>
Net Profit available for Equity Shareholders (₹)	64,461,138	56,270,319
Weighted average number of Equity Shares Outstanding	4,000,007	4,000,007
Basic and diluted EPS (₹)	16.12	14.07

Basic & diluted earnings per share (EPS) computed in accordance with AS-20 - Earnings per Share

### 3.5 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 ₹ 68,75,275/- has been recognized for deferred tax asset.

The balance deferred tax liability (net) outstanding as on 31.03.2016 is ₹ 94,84 Lakhs the details of which are as follows:

Particulars	As at 31.03.15	Tax effect for the year	As at 31.03.16
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
<b>Deferred Tax ( Liability)</b>			
Fixed Assets	(177.53)	68.94	(108.59)
Sub Total	(177.53)	68.94	(108.59)
<b>Deferred Tax Asset</b>			
Amortization of Land registration Charges	13.92	(0.18)	13.74
Sub Total	13.92	(0.18)	13.74
Deferred Tax Asset / ( Liability)	(163.61)	68.76	(94.84)

#### 4. ADDITIONAL INFORMATION TO FINANCIAL STATEMENTS

##### 4.1 Wind Mill

During the financial year, the Company sold 7,45,176 units to Tamilnadu Electricity Board. (2015 : 9,14,071 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.

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### 4.3 Details for Compensation income

	As at 31-03-2016	As at 31-03-2015
	₹	₹
Cost of Buildings leased	226,368,391	226,368,391
Depreciation provided during the year on Buildings leased	53,16,606	6,416,808
Accumulated depreciation on buildings leased including transition adjustment	63,931,240	58,614,633
Impairment loss recognised in Statement of Profit and Loss	Nil	Nil
Impairment loss reversed in Statement of Profit and Loss	Nil	Nil
Future Compensation receivable		
Not later than one year	17,69,27,024	136,874,685
Later than one year and not later than five years	17,58,35,882	214,812,685
Later than five years	4,58,492	51,31,293

### 4.4 Current Liabilities

- (i) The company continues to hold the amount of ₹ 1,46,503/- (2015: ₹ 1,46,503/-) on account of Interest payable on FD made out of disputed dividend for the years 2000-01 and 2001-02.
- (ii) There are no amounts due to the Central Government on account of Investor Education and Protection Fund as on 31.3.2016. The balance amount lying under the Unpaid Dividend Account 2008–2009 declared on 07.07.2009 for the year 2008-09 falls due on 08.08.2016.

### 4.5 Statement of Profit and Loss

Electricity Expenses have been reduced to the extent of ₹ 47,31,868/- (2015 : ₹ 50,38,648/-) 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 31.03.2016 not provided for is ₹ Nil . (Previous year ₹ Nil ).

#### **4.7 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 was 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 had filed an appeal in the High Court of Delhi against the Arbitrator's award which has since been dismissed by the Honourable High Court of Delhi by an order dated 21 Dec 2015 thereby reinstating the order passed by the Honourable Arbitral Tribunal. Accordingly, in line with said award, the company has effected the payment along with interest of 6% p.a. upto date on 31 Mar 16 in discharge of its obligation.

#### **4.8 Contingent Liabilities in respect of:**

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

##### **(i) 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 an 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.

## TWENTY FIFTH ANNUAL REPORT 2015 - 16

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### (ii) Service Tax:

The company had received show cause notice 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 for the period April 2006 – March 2012. As per legal opinion, the company has been advised that, it is not liable for service tax on this issue. The company had obtained an interim stay from the High Court of Madras against the show cause notice which was modified by the High Court. The company filed a fresh Writ Petition for stay and an order was received in September 2014 directing the company to represent before the Service tax department and the same has been complied. In view of this, there is a contingent liability of ₹ 282.64 Lakhs.

### (iii) Lease Rent :

The Company had 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

**P. Manivannan**  
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 : 06.05.2016

M.No.026474 FRN000438S

<b>CASH FLOW STATEMENT</b>		
<b>Particulars</b>	<b>Year ended</b>	<b>Year ended</b>
	<b>31<sup>st</sup> March 2016</b>	<b>31<sup>st</sup> March 2015</b>
	₹	₹
<b>A. Cash flow from Operating Activities:</b>		
Net Profit before tax and extraordinary items	97,977,682	84,739,340
<b>Adjustments for:</b>		
(i) Depreciation	41,627,691	49,100,449
(ii) Provision for Compensated Absences	428,929	624,201
(iii ) Provision for Gratuity	1,101,222	32,120
	<b>141,135,524</b>	<b>134,496,110</b>
<b>Less :</b>		
Interest income on Deposits	(20,502,599)	(16,602,250)
Loss / (Gain) on Sale of Assets	683,548	(432,299)
<b>Operating Profit Before Working Capital Changes</b>	<b>121,316,473</b>	<b>117,461,561</b>
<b>Adjustments for :</b>		
(Increase) / Decrease in Trade & Other Receivables	(58,506,788)	(74,833,455)
Increase / (Decrease) in Trade Payables & Other Liabilities	4,528,670	(3,572,623)
<b>Cash Generated from operations</b>	<b>67,338,355</b>	<b>39,055,483</b>
Income tax Net of Refunds	(41,365,796)	(28,737,257)
<b>Net Cash flow from Operating activities (A)</b>	<b>25,972,559</b>	<b>10,318,226</b>
<b>B. Cash flow from Investing Activities</b>		
Purchase of Fixed Assets	(25,024,109)	(24,184,306)
Proceeds from Sale of Fixed Assets	415,022	492,078
Interest Received on Fixed Deposits	23,311,547	11,221,482
Long Term Investments in Mutual Fund	(40,000,000)	-
(Increase) / Decrease in Long Term Fixed Deposits with Bank	13,000,000	2,500,000
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(28,297,540)</b>	<b>(9,970,746)</b>

## TWENTY FIFTH ANNUAL REPORT 2015 - 16

Particulars	Year ended 31 <sup>st</sup> March 2016	Year ended 31 <sup>st</sup> March 2015
	₹	₹
<b>C. Cash flow from financing activities</b>		
Increase / ( Decrease ) in Compensation Deposits	8,816,550	5,109,034
Dividend Paid ( Including Dividend Tax)	(6,976,244)	(6,683,169)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>1,840,306</b>	<b>(1,574,135)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(484,675)</b>	<b>(1,226,655)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	1,370,838	2,597,493
<b>Cash and cash equivalents at the end of the year</b>	<b>886,163</b>	<b>1,370,838</b>

### Cash and cash equivalents at the end of the year includes :

(i) Cash in Hand	22,569	40,063
(ii) Balance in Current Account with Bank	863,594	1,330,775
	<b>886,163</b>	<b>1,370,838</b>

For and on behalf of the Board of Directors

As per our report attached

**Unnamalai Thiagarajan**  
Managing Director

**G. Chellakrishna**  
Director

**P. Manivannan**  
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 : 06.05.2016

M.No.026474 FRN000438S



**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 31.3.2016
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

**P. Manivannan**  
Director

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

**S.Lakshmi Narasimhan**  
Company Secretary

Place : Chennai  
Date : 06.05.2016

## **TWENTY FIFTH ANNUAL REPORT 2015 - 16**

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### **INDEPENDENT AUDITORS' 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, 2016, 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.

##### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated 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 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, 2016, 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 Rs. 10,00,000 as at 31st March, 2016, total revenues of Rs. NIL and net cash outflows amounting to Rs.51,906 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

## TWENTY FIFTH ANNUAL REPORT 2015 - 16

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included in respect of the subsidiary and our report in terms of sub-sections (3) and(11) of 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 sub-section 3 of Section 143 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, 2016 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, 2016 from being appointed as directors in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in “Annexure A”; and

- (g) 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 4.8 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.

Place: Chennai  
Date : 06.05.2016

for **S.H. Bhandari & Co**  
Chartered Accountants  
FRN :000438S  
**Sreedhar Sreekakulam**  
Partner  
Membership No.: 026474

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

The annexure referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Elnet Technologies Ltd on the consolidated financial statements for the year ended 31st March, 2016.

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2016, we have audited the internal financial controls over financial reporting of Elnet Technologies Limited ("the Holding Company") and its subsidiary as of that date.

#### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the of the Holding company, and its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated

## **TWENTY FIFTH ANNUAL REPORT 2015 - 16**

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in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other the auditor in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those

policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Group, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Other Matters**

Our aforesaid reports Section 143(3)(i) of the Act on the adequacy of the internal financial controls over financial reporting insofar as it relates to the subsidiary company is based on the audit report issued by the auditor of such subsidiary.

Place: Chennai  
Date : 06.05.2016

As per our report attached  
for **S.H. Bhandari & Co**  
Chartered Accountants  
FRN :000438S

**Sreedhar Sreekakulam**  
Partner  
Membership No.: 026474

## TWENTY FIFTH ANNUAL REPORT 2015 - 16

<b>CONSOLIDATED BALANCE SHEET</b>			
Particulars	Note No.	As at	As at
		31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
		₹	₹
<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	490,043,822	433,735,804
		<b>530,043,892</b>	<b>473,735,874</b>
<b>2 Non-current liabilities</b>			
(a) Long-Term Borrowings	3	42,633,883	42,633,883
(b) Deferred Tax Liabilities (Net)	21 (3.5)	9,484,430	16,359,705
(c) Other Long-Term Liabilities	4	133,329,797	124,486,584
(d) Long-Term Provisions	5	1,314,317	968,807
		<b>186,762,427</b>	<b>184,448,979</b>
<b>3 Current Liabilities</b>			
(a) Trade Payables	6		
Due to Micro and Small Enterprises		-	-
Due to Others		6,742,718	596,079
(b) Other Current Liabilities	7	2,520,835	3,849,918
(c) Short-Term Provisions	8	10,002,494	7,932,812
		19,266,047	12,378,809
<b>TOTAL</b>		<b>736,072,366</b>	<b>670,563,662</b>
<b>B ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	9 (i)	365,361,922	383,032,859
(ii) Intangible Assets	9 (ii)	-	-
(iii) Capital Work- in- Progress	9 (iii)	391,588	339,682
		<b>365,753,510</b>	<b>383,372,541</b>
(b) Non-Current Investments	10	70,253,000	30,253,000
(c) Long-Term Loans and Advances	11	21,783,227	18,542,220
(d) Other Non Current Assets	12	40,652	13,040,652
		<b>92,076,879</b>	<b>61,835,872</b>
<b>2 Current Assets</b>			
(a) Trade Receivables	13	18,298,993	18,315,059
(b) Cash and Cash Equivalents	14	247,294,743	186,597,928
(c) Short-Term Loans and Advances	15	2,957,684	7,311,259
(d) Other Current Assets	16	9,690,557	13,131,003
		<b>278,241,977</b>	<b>225,355,249</b>
<b>TOTAL</b>		<b>736,072,366</b>	<b>670,563,662</b>
Significant Accounting Policies and Explanatory Statement	21		

Note 21 is an intergal part of these financial statements

For and on behalf of the Board of Directors

**Unnamalai Thiagarajan**  
Managing Director

**G. Chellakrishna**  
Director

**P. Manivannan**  
Director

As per our Report attached

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

**T.K.Karthik**  
Chief Financial Officer  
Place : Chennai  
Date : 06.05.2016

**S.Lakshmi Narasimhan**  
Company Secretary

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



<b>CONSOLIDATED STATEMENT OF PROFIT AND LOSS</b>			
Particulars	Note No.	For the year ended	For the year ended
		31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
		₹	₹
<b>A CONTINUING OPERATIONS</b>			
1 Revenue from Operations	17	220,840,855	214,771,023
2 Other Income	18	20,594,310	18,233,339
3 Total Revenue		<b>241,435,165</b>	<b>233,004,362</b>
<b>4 Expenses</b>			
(a) Employee Benefits Expense	19	16,720,300	15,416,395
(b) Depreciation and Amortisation Expense	9	41,627,691	49,100,449
(c) Other Expenses	20	85,109,492	83,748,178
Total Expenses		<b>143,457,483</b>	<b>148,265,022</b>
<b>5 Profit / (Loss) before tax</b>		<b>97,977,682</b>	<b>84,739,340</b>
6 Tax Expense:			
(a) Current Tax Expense for current year		40,417,000	37,000,000
(b) Current Tax Expense for prior years		(25,181)	(920,448)
(c) Deferred Tax	21 (3.5)	(6,875,275)	(7,610,531)
		33,516,544	28,469,021
<b>7 Profit / (Loss) for the year</b>		<b>64,461,138</b>	<b>56,270,319</b>
		<b>64,461,138</b>	<b>56,270,319</b>
8 Earnings per share (of face value of ₹ 10/- each):			
Basic & Diluted	21 (3.4)	16.12	14.07
Significant Accounting Policies and Explanatory Statement	21		

Note 21 is an integral part of these financial statements

For and on behalf of the Board of Directors

**Unnamalai Thiagarajan**  
Managing Director

**G. Chellakrishna**  
Director

**P. Manivannan**  
Director

As per our Report attached

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

**T.K.Karthik**  
Chief Financial Officer  
Place : Chennai  
Date : 06.05.2016

**S.Lakshmi Narasimhan**  
Company Secretary

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

## TWENTY FIFTH ANNUAL REPORT 2015 - 16

### NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

#### NOTE 1 SHARE CAPITAL

Particulars	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
	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 shareholders 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, 2016		
- Number of shares	4,000,007	4,000,007
- Amount (₹)	40,000,070	40,000,070
Year ended 31st March, 2015		
- 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, 2016		As at 31 <sup>st</sup> March, 2015	
	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%	369,483	9.24%

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

**NOTE 2 : RESERVES AND SURPLUS**

Particulars	As at	As at
	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
	₹	₹
<b>(a) General reserve</b>		
Opening balance	251,190,248	236,905,976
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	-31,214	5,715,728
<b>Closing balance</b>	<b>271,221,462</b>	<b>251,190,248</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>	179,970,556	150,440,277
Add : Profit for the year - Amounts Transferred from Statement of Profit and Loss	64,461,138	56,270,319
Less : <b>Final Dividend</b>		
Dividend proposed to be distributed & Distributed to equity sharholders (₹1.70 per share respectively)	6,800,012	5,600,010
Tax on Dividend	1,384,322	1,140,030
Less : <b>Transferred to General Reserve</b>	20,000,000	20,000,000
<b>Closing balance</b>	<b>216,247,360</b>	<b>179,970,556</b>
<b>Total</b>	<b>490,043,822</b>	<b>433,735,804</b>

**NOTE 3 : LONG-TERM BORROWINGS**

<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 FIFTH ANNUAL REPORT 2015 - 16

<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, 2016</b>		<b>As at 31<sup>st</sup> March, 2015</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, 2016</b>	<b>As at 31<sup>st</sup> March, 2015</b>
	<b>₹</b>	<b>₹</b>
(i) Trade / security deposits	802,887	776,224
(ii) Compensation deposits and Token Deposits	132,526,910	123,710,360
<b>Total</b>	<b>133,329,797</b>	<b>124,486,584</b>

<b>NOTE 5 : LONG-TERM PROVISIONS</b>		
(i) Provision for Compensated Absences	878,409	968,807
(ii) Provision for Gratuity	435,908	-
<b>Total</b>	<b>1,314,317</b>	<b>968,807</b>

<b>NOTE 6 : TRADE PAYABLES</b>		
<b>Trade payables:</b>		
Due to Micro and Small Enterprises	-	-
Due to Others	6,742,718	596,079
<b>Total</b>	<b>6,742,718</b>	<b>596,079</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, 2016</b>	<b>As at 31<sup>st</sup> March, 2015</b>
	<b>₹</b>	<b>₹</b>
<b>(a) Unpaid dividends</b>	1,863,720	2,099,924
<b>(b) Other payables</b>		
(i) Statutory Payables	510,612	467,038
(ii) Others	146,503	1,282,956
<b>Total</b>	<b>2,520,835</b>	<b>3,849,918</b>
<b>NOTE 8 : SHORT-TERM PROVISIONS</b>		
<b>(a) Provision for employee benefits:</b>		
(i) Provision for Bonus & Ex-Gratia	1,125,759	1,095,295
(ii) Provision for Compensated Absences	355,989	97,477
(iii) Provision for Gratuity	336,412	-
Sub-total	<b>1,818,160</b>	<b>1,192,772</b>
<b>(b) Provision - Others:</b>		
(i) Provision for proposed equity dividend	6,800,012	5,600,010
(ii) Provision for tax on proposed dividends	1,384,322	1,140,030
Sub-total	<b>8,184,334</b>	<b>6,740,040</b>
<b>Total</b>	<b>10,002,494</b>	<b>7,932,812</b>

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<b>NOTES FORMING PART OF THE CONSOLIDATED 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 2015	Addition During the year	Deletion During the year	Assets as on 31st March 2016	Dep. as at 31st March 2015	Dep. for the Year	Dep. on Deletions	Dep. as at 31st March 2016	Balance as at 31st March 2016	Balance as at 31st March 2015		
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	226,368,391	-	-	226,368,391	58,614,634	5,316,606	-	63,931,240	162,437,151	167,753,757		
Plant & Machinery	30,880,154	433,046	-	31,313,200	14,145,301	3,350,588	-	17,495,889	13,817,311	16,734,853		
Wind Mill	27,625,000	-	-	27,625,000	27,625,000	-	-	27,625,000	-	-		
Electrical Fittings	70,512,035	4,151,242	2,780,530	71,882,747	44,608,912	6,734,883	1,702,563	49,641,232	22,241,514	25,903,123		
Furniture & Fixture	39,715,268	60,060	-	39,775,328	28,996,756	3,604,634	-	32,601,390	7,173,938	10,718,512		
Fitouts	70,879,297	8,558,567	-	79,437,864	43,107,156	17,432,753	-	60,539,909	18,897,955	27,772,141		
Computers	1,214,108	184,293	51,002	1,347,399	833,392	285,773	51,002	1,068,163	279,236	380,716		
Air Conditioners	25,800,990	121,938	-	25,922,928	17,664,016	1,540,303	31,214	19,173,105	6,749,823	8,136,974		
UPS	10,256,996	6,086,134	1,450,000	14,893,130	10,223,672	227,224	1,450,000	9,000,896	5,892,234	33,324		
Others	15,773,418	420,339	-	16,193,757	14,555,339	453,908	-	15,009,247	1,184,510	1,218,079		
Photocopier Machine	332,620	115,290	80,620	367,290	153,604	104,531	60,017	198,118	169,172	179,016		
Multi Level Car Park	20,348,801	-	-	20,348,801	10,573,311	1,509,882	-	12,083,193	8,265,608	9,775,490		
Vehicles	2,167,422	4,893,200	-	7,060,622	414,424	1,066,605	-	1,481,029	5,579,593	1,752,998		
<b>Total</b>	<b>659,264,656</b>	<b>25,024,109</b>	<b>4,362,152</b>	<b>679,926,613</b>	<b>276,231,797</b>	<b>41,627,690</b>	<b>3,294,796</b>	<b>314,564,691</b>	<b>365,361,922</b>	<b>383,032,859</b>		
<b>Total of Previous Year</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>383,032,859</b>			

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 9 (ii) INTANGIBLE ASSETS <span style="float: right;">(Amount in ₹)</span>										
ASSET GROUP	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK		
	Assets as on 31st March 2015	Addition During the year	Deletion During the year	Assets as on 31st March 2016	Dep. as at 31st March 2015	Dep. for the Year	Dep. on Deletions	Dep. as at 31st March 2016	Balance as at 31st March 2016	Balance as at 31st March 2015
Computer Software	506,242	-	-	506,242	506,242	-	-	506,242	-	-
<b>Total</b>	<b>506,242</b>	<b>-</b>	<b>-</b>	<b>506,242</b>	<b>506,242</b>	<b>-</b>	<b>-</b>	<b>506,242</b>	<b>-</b>	<b>-</b>
<b>Total Of Previous Year</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>

NOTE 9 (iii) CAPITAL WORK IN PROGRESS <span style="float: right;">(Amount in ₹)</span>								
Capital Work In Progress	339,682	51,906	-	391,588	-	-	391,588	339,682
<b>Total</b>	<b>339,682</b>	<b>51,906</b>	<b>-</b>	<b>391,588</b>	<b>-</b>	<b>-</b>	<b>391,588</b>	<b>339,682</b>
<b>Total Of Previous Year</b>	<b>305,462</b>	<b>34,220</b>	<b>-</b>	<b>339,682</b>	<b>-</b>	<b>-</b>	<b>339,682</b>	<b>-</b>

NOTE 10 : NON-CURRENT INVESTMENTS					
Particulars	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015		Unquoted ₹
	Quoted ₹	Unquoted ₹	Quoted ₹	Unquoted ₹	
<b>Investments (At cost):</b>					
<b>A Other Investment</b>					
<b>Investment in Equity Instruments</b>					
(i) <b>Others</b>					
30,25,300 Equity Shares (As at 31st March 2015: 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>(ii) Investment in Mutual Fund</b>					
Axis Bank Hybrid Series 27 - Growth 4,000,000 units (As at 31st March 2015: Nil)	40,000,000	-	-	-	-
<b>Aggregate Amount of Quoted and Unquoted investments</b>	<b>40,000,000</b>	<b>30,253,000</b>	<b>40,000,000</b>	<b>30,253,000</b>	<b>30,253,000</b>
<b>Total Non-Current Investments</b>	<b>70,253,000</b>		<b>30,253,000</b>		<b>30,253,000</b>

Aggregate market value of quoted investments ₹ 3,95,45,200

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<b>NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS</b>				
<b>NOTE 11 : LONG-TERM LOANS AND ADVANCES</b>				
<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2016</b>		<b>As at 31<sup>st</sup> March, 2015</b>	
	₹	₹	₹	₹
<b><u>Unsecured , Considered Good</u></b>				
(a) Security deposits		6,175,263		3,970,741
(b) Loans and advances to Employees		5,340		20,762
(c) Balance with Revenue Authorities				
(i) Advance Income Tax {Net of provision for Tax for current year - ₹ 404,17,000 (Previous year ₹ 370,00,000)}	15,414,992		14,441,016	
(ii) CENVAT Credit Receivable	187,632	15,602,624	109,701	14,550,717
<b>Net Total</b>		<b>21,783,227</b>		<b>18,542,220</b>
<b>NOTE 12 : OTHER NON-CURRENT ASSETS</b>				
<b>(i) Other Bank Balances</b>				
(Bank Deposits with more than 12 months maturity)		-		13,000,000
(ii) Miscellaneous Expenses not written off		40,652		40,652
<b>Total</b>		<b>40,652</b>		<b>13,040,652</b>
<b>NOTE 13 : TRADE RECEIVABLES</b>				
Trade Receivables outstanding for a period exceeding Six Months from the date they were due for payment		-		-
Other Trade Receivables - Secured, considered Good		18,298,993		18,315,059
<b>Total</b>		<b>18,298,993</b>		<b>18,315,059</b>
<b>NOTE 14 : CASH AND CASH EQUIVALENTS</b>				
<b>(a) Cash on hand</b>		22,569		40,063
<b>(b) Balances with banks</b>				
(i) In current accounts		1,408,454		1,957,941
(ii) In deposit accounts		244,000,000		182,500,000
(iii) Unpaid dividend accounts		1,863,720		2,099,924
<b>Total</b>		<b>247,294,743</b>		<b>186,597,928</b>



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

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

Particulars	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
	₹	₹	₹	₹
<b><u>Unsecured , Considered Good</u></b>				
(a) Capital Advances		-		4,300,000
(b) Loans and Advances to Employees		80,819		90,367
(c) Advance to Suppliers		39,610		3,600
(d) Prepaid Expenses		2,837,255		2,917,292
(e) Others	356,582		356,582	
Less : Provision for Bad Debts	(356,582)	-	(356,582)	-
<b>Total</b>		<b>2,957,684</b>		<b>7,311,259</b>

**NOTE 16 : OTHER CURRENT ASSETS**

Particulars	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
	₹	₹	₹	₹
<b>(a) Accruals</b>				
(i) Interest accrued but not due on deposits		8,931,881		11,740,829
<b>(b) Stores Stock</b>		672,801		1,115,960
<b>(c) Stock of Access Card</b>		85,875		-
<b>(d) Others</b>				-
(i) Others (Gratuity Fund -Excess of fair value of plan assets over present value of obligations) Refer Note # 21 - 3.1 (ii)		-		274,214
<b>Total</b>		<b>9,690,557</b>		<b>13,131,003</b>

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<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</b>	<b>For the year ended</b>
	<b>31<sup>st</sup> March, 2016</b>	<b>31<sup>st</sup> March, 2015</b>
	₹	₹
<b>Sale of Services comprises</b>		
(a) Compensation Income	171,812,475	162,364,656
(b) Other Operating Revenues	49,028,380	52,406,367
<b>Total</b>	<b>220,840,855</b>	<b>214,771,023</b>
<b>NOTE 18 : OTHER INCOME</b>		
(a) Interest Income	20,504,745	17,625,504
(b) Other Non-Operating Income	89,565	607,835
<b>Total</b>	<b>20,594,310</b>	<b>18,233,339</b>
<b>NOTE 19 : EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and Wages	14,139,825	13,827,940
Contributions to Provident and Other Funds	2,023,057	679,662
Staff Welfare Expenses	557,418	908,793
<b>Total</b>	<b>16,720,300</b>	<b>15,416,395</b>

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

**NOTE 20 : OTHER EXPENSES**

Particulars	For the year ended 31 <sup>st</sup> March, 2016	For the year ended 31 <sup>st</sup> March, 2015
	₹	₹
Electricity ( Refer Note 21 -4.5)	32,004,725	24,103,024
Diesel	6,760,242	18,351,613
Water	1,685,585	1,939,750
Rent including Lease Rentals	1	1
Repairs and Maintenance - Buildings	17,881,109	16,285,388
Repairs and Maintenance - Machinery	4,405,233	3,647,899
Repairs and Maintenance - Others	10,813,147	8,557,023
Insurance	1,073,836	1,132,410
Rates and Taxes	2,938,448	2,596,968
Communication	434,475	487,593
Travelling and Conveyance	1,350,364	1,628,762
Printing and stationery	500,639	467,222
Business Promotion	580,135	503,113
Legal and Professional	641,786	557,914
Payments to Auditors (Refer Note below)	475,000	475,000
Sitting Fees	686,000	735,000
Bad Debts	-	5,672
CSR Contribution	1,676,000	1,535,000
Miscellaneous Expenses	519,219	738,826
Loss on Sale of Fixed Assets	683,548	-
<b>Total</b>	<b>85,109,492</b>	<b>83,748,178</b>
<b>Notes :</b>		
<b>Payments to the auditors comprises</b>		
As auditors - statutory audit	325,000	325,000
For taxation matters	75,000	75,000
For other services	75,000	75,000
<b>Total</b>	<b>475,000</b>	<b>475,000</b>

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### NOTE 21: 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 (i) Basis of Preparation of Consolidated Financial Statements

- a) The consolidated financial statements comprise of financial statements of Elnet Technologies Limited and its wholly owned subsidiary company, Elnet Software City Limited.
- b) These consolidated 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.

##### (ii) Principles of Consolidation

- a) The consolidated financial statements of the holding company and its subsidiary company have been combined on a line by line basis by adding together the book values of like items of assets , liabilities, income and expenses, after fully eliminating intra group balances and intra group transactions resulting in unrealized profits or losses in accordance with Accounting Standard ( AS 21)-“ Consolidated Financial Statements”
- b) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Holding Company's separate financial statements.

##### 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.

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 Holding 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..

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

<b>Particulars of Assets</b>	<b>Useful Life ( in years )</b>
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) value for all assets is considered as Nil

### **2.7 Investments**

Investments are held as long term and are stated at Cost less provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment.

### **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

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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 Contingent liabilities**

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. Where no reliable estimate can be made, disclosure is made as Contingent liability. A disclosure for a contingent liability is also made if there is a possible or a present obligation that may, but probably will not result in outflow of resources. 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 Holding 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 31.3.2016	Gratuity Plan 31.3.2015
	₹ in Lakhs	₹ in Lakhs
Projected benefit obligation at beginning of the year	21.93	19.64
Service Cost	1.79	1.01
Interest cost	4.03	1.57
Actuarial (gain)/loss	7.47	-0.29
Benefits paid	-	-
Projected benefit obligation, end of the year	35.22	21.93

**Change in plan assets:**

Particulars	Gratuity Plan 31.3.2016	Gratuity Plan 31.3.2015
	₹ in Lakhs	₹ in Lakhs
Plan assets at beginning of the year at fair value	24.67	19.38
Expected return on plan assets	2.13	1.97
Actuarial (gain)/loss	0.15	-
Employer's Contributions	0.55	3.33
Benefits paid	-	-
Plan assets at end of the year at fair value	27.50	24.67

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

Particulars	31.3.2016	31.3.2015
	₹ in Lakhs	₹ in Lakhs
Fair value of plan assets at the end of the year	27.50	24.67
Present value of the defined benefit obligations at the end of the period	-35.22	-21.93
( Liability ) / Asset	-7.72	2.74

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### Gratuity cost for the year ended March 31, 2016

Particulars	Gratuity Plan 31.03.2016	Gratuity Plan 31.03.2015
	₹ in Lakhs	₹ in Lakhs
Service cost	4.03	1.01
Interest cost	1.78	1.57
Expected return on plan assets	(2.12)	(1.97)
Actuarial (gain)/ loss	7.32	(0.29)
Net cost	11.01	0.32

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

Particulars	Year ended 31.3.2016	Year ended 31.3.2015
Investment with Insurer	100%	100%
Actual return on plan assets	8.50%	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 31.03.2016	Gratuity Plan 31.03.2015
Discount rate	8%	8%
Salary escalation rate	12%	6%
Expected employers contribution next year (₹ in Lakhs)	1.25	0.76

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 Holding 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.

Change in benefit obligations (Non Funded)	Leave Encashment	
	31.3.2016	31.3.2015
Particulars	₹ in Lakhs	₹ in Lakhs
Projected benefit obligation at beginning of the year	10.65	7.40
Service Cost	1.03	3.67
Interest cost	0.75	0.47
Actuarial (gain)/loss	2.59	2.00
Benefits paid	(2.68)	(2.89)
Projected benefit obligation, end of the year	12.34	10.65

Particulars	Leave Encashment	
	31.3.2016	31.3.2015
	₹ in Lakhs	₹ in Lakhs
Service cost	1.03	3.67
Interest cost	0.74	0.47
Actuarial (gain)/ loss	2.59	2.00
Net cost	4.36	6.14

### Assumptions

Particulars	31.3.2016	31.3.2015
Interest (Discount rate) Liability	8%	8%
Salary escalation rate (p.a.)	12%	12%
Resignation Rate (p.a.)	10%	10%

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

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**3.2 Segment wise reporting as per standard AS 17 is not applicable to the Group as there is only one reportable segment i.e. compensation from 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. (2015: ₹1/-) 2. Web hosting charges ₹8,550/-. (2015 : ₹ 8,427/-) 3. Sitting fees ₹ 91,000. (2015: ₹ 119,000)
Any other element of the transaction necessary for understanding the transaction	Nil
Amount outstanding at the balance sheet date	₹11,03,25,257 (2015: ₹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 (2015: 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 (2015: 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/- (2015: ₹ 60,09,141/-) (b) ₹1,46,503/- (2015: ₹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/- (2015: ₹ 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/- (2015: ₹ 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/- (2015: ₹ 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

## TWENTY FIFTH ANNUAL REPORT 2015 - 16

### 3.4 Earnings per share

Particulars	2015-16	2014-15
Net Profit available for Equity Shareholders (₹)	64,461,138	56,270,319
Weighted average number of Equity Shares Outstanding	4,000,007	4,000,007
Basic and diluted EPS (₹)	16.12	14.07

Basic & diluted earnings per share (EPS) computed in accordance with AS-20 - Earnings per Share

### 3.5 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 ₹ 68,75,275/- has been recognized for deferred tax asset.

The balance deferred tax liability (net) outstanding as on 31.03.2016 is ₹ 94.84 Lakhs the details of which are as follows:

Particulars	As at 31.03.15	Tax effect for the year	As at 31.03.16
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
<b>Deferred Tax ( Liability)</b>			
Fixed Assets	(177.53)	68.94	(108.59)
Sub Total	(177.53)	68.94	(108.59)
<b>Deferred Tax Asset</b>			
Amortization of Land registration Charges	13.92	(0.18)	13.74
Sub Total	13.92	(0.18)	13.74
Deferred Tax Asset / ( Liability)	(163.61)	68.76	(94.84)

#### 4. ADDITIONAL INFORMATION TO FINANCIAL STATEMENTS

##### 4.1 Wind Mill

During the financial year, the Company sold 7,45,176 units to Tamilnadu Electricity Board. (2015 : 9,14,071 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 Holding 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.

##### 4.3 Details for Compensation income

	As at 31-03-2016	As at 31-03-2015
	₹	₹
Cost of Buildings leased	226,368,391	226,368,391
Depreciation provided during the year on Buildings leased	53,16,606	6,416,808
Accumulated depreciation on buildings leased including transition adjustment	63,931,240	58,614,633
Impairment loss recognised in Statement of Profit and Loss	Nil	Nil
Impairment loss reversed in Statement of Profit and Loss	Nil	Nil
Future Compensation receivable		
Not later than one year	176,927,024	136,874,685
Later than one year and not later than five years	175,835,882	214,812,685
Later than five years	4,58,492	51,31,293

##### 4.4 Current Liabilities

- (i) The Holding Company continues to hold the amount of ₹1,46,503/- (2015: ₹ 1,46,503/-) on account of Interest payable on FD made out of disputed dividend for the years 2000-01 and 2001-02.

## TWENTY FIFTH ANNUAL REPORT 2015 - 16

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- (ii) There are no amounts due to the Central Government on account of Investor Education and Protection Fund as on 31.3.2016. The balance amount lying under the Unpaid Dividend Account 2008–2009 declared on 07.07.2009 for the year 2008-09 falls due on 08.08.2016.

### 4.5 Statement of Profit and Loss

Electricity Expenses have been reduced to the extent of ₹ 47,31,868/- (2015 : ₹ 50,38,648/-) 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 31.03.2016 not provided for is ₹ Nil . (Previous year ₹ Nil ).

### 4.7 Claim by Department of Telecommunications:

The Department of Telecommunications (DoT) filed a claim against the Holding 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 was 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 had filed an appeal in the High Court of Delhi against the Arbitrator's award which has since been dismissed by the Honourable High Court of Delhi by an order dated 21 Dec 2015 thereby reinstating the order passed by the Honourable Arbitral Tribunal. Accordingly , in line with said award, the Holding Company has effected the payment along with interest of 6% p.a. upto date on 31 Mar 16 in discharge of its obligation.

### 4.8 Contingent Liabilities in respect of:

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

##### (i) Income Tax demand

There is a dispute with regard to the treatment of income of the Holding 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 Holding 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 an 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.

**(ii) Service Tax:**

The Holding Company had received show cause notice 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 for the period April 2006 – March 2012. As per legal opinion, the company has been advised that, it is not liable for service tax on this issue. The company had obtained an interim stay from the High Court of Madras against the show cause notice which was modified by the High Court. The holding company filed a fresh Writ Petition for stay and an order was received in September 2014 directing the company to represent before the Service tax department and the same has been complied. In view of this, there is a contingent liability of ₹ 282.64 Lakhs.

**(iii) Lease Rent :**

The Holding Company had 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 Holding 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

**P. Manivannan**  
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 : 06.05.2016

## TWENTY FIFTH ANNUAL REPORT 2015 - 16

<b>CONSOLIDATED CASH FLOW STATEMENT</b>		
<b>Particulars</b>	<b>Year ended</b>	<b>Year ended</b>
	<b>31<sup>st</sup> March 2016</b>	<b>31<sup>st</sup> March 2015</b>
	₹	₹
<b>A. Cash flow from Operating Activities:</b>		
<b>Net Profit before tax and extraordinary items</b>	97,977,682	84,739,340
<b>Adjustments for:</b>		
(i) Depreciation	41,627,691	49,100,449
(ii) Provision for Compensated Absences	428,929	624,201
(iii) Provision for Gratuity	1,101,222	32,120
	<b>141,135,524</b>	<b>134,496,110</b>
<b>Less :</b>		
Interest income on Deposits	(20,502,599)	(16,602,250)
Loss / (Gain) on Sale of Assets	683,548	(432,299)
<b>Operating Profit Before Working Capital Changes</b>	<b>121,316,473</b>	<b>117,461,561</b>
<b>Adjustments for :</b>		
(Increase) / Decrease in Trade & Other Receivables	(58,529,688)	(74,833,455)
Increase / (Decrease) in Trade Payables & Other Liabilities	4,521,170	(3,572,623)
<b>Cash Generated from operations</b>	<b>67,307,955</b>	<b>39,055,483</b>
Income tax Net of IT Refund	(41,365,796)	(28,737,257)
<b>Net Cash flow from Operating activities (A)</b>	<b>25,942,159</b>	<b>10,318,226</b>
<b>B. Cash flow from Investing Activities</b>		
Purchase of Fixed Assets	(25,024,109)	(24,184,306)
Proceeds from Sale of Fixed Assets	415,022	492,078
Capital Work in Progress	(51,906)	(34,220)
Interest Received on Deposits	23,311,547	11,221,482
Long Term Investments in Mutual Fund	(40,000,000)	-
(Increase) / Decrease in Long Term Fixed Deposits with Bank	13,000,000	2,500,000
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(28,349,446)</b>	<b>(10,004,966)</b>

Particulars	Year ended 31 <sup>st</sup> March 2016	Year ended 31 <sup>st</sup> March 2015
	₹	₹
<b>C. Cash flow from financing activities</b>		
Increase / ( Decrease ) in Compensation Deposits	8,816,550	5,109,034
Dividend Paid ( Including Dividend Tax)	(6,976,244)	(6,683,169)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>1,840,306</b>	<b>(1,574,135)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(566,981)</b>	<b>(1,260,875)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	1,998,004	3,258,879
<b>Cash and cash equivalents at the end of the year</b>	<b>1,431,023</b>	<b>1,998,004</b>

**Cash and cash equivalents at the end of the year includes :**

(i) Cash in Hand	22,569	40,063
(ii) Balance in Current Account with Bank	1,408,454	1,957,941
	<b>1,431,023</b>	<b>1,998,004</b>

For and on behalf of the Board of Directors

As per our report attached

**Unnamalai Thiagarajan**  
Managing Director

**G. Chellakrishna**  
Director

**P. Manivannan**  
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 : 06.05.2016

M.No.026474 FRN000438S

## **TWENTY FIFTH ANNUAL REPORT 2015 - 16**

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### **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 31st March 2016.

#### **OPERATIONS**

The Company is yet to commence its operation

#### **FIXED DEPOSITISTS**

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

#### **DIRECTORS**

Tmt. Unnamalai Thiagarajan 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 : 20.04.2016

Director

Director

## **TWENTY FIFTH ANNUAL REPORT 2015 - 16**

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

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

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

We have audited the accompanying standalone financial statements of M/s. Elnet Software City Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2016, 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 stated 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**

Our responsibility is to express an opinion on these 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 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 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 effectiveness of such controls. 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.

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

### **Opinion**

In our opinion and to the best of our 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, 2016,
- 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, 2016 ('the Order'), issued by the Central Government in terms of Sub-Section 11 of Section 143 of the Companies Act, 2013, we 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, 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 appears from our examination of those books.
  - 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.

## TWENTY FIFTH ANNUAL REPORT 2015 - 16

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- d) In our 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
- f) We have reviewed the requirements of Internal Financial Control over financial reporting as applicable.
- g) With respect to the other matters included in the Auditor's Report and to the best of our 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 : April 20, 2016

**Ramamoorthy N**  
Proprietor  
M. No. 227125

For **Ramamoorthy N & Associates**  
Chartered Accountants  
FRN 015905S

### **Annexure to the independent Auditors' Report to the Members of Elnet Software City Limited for the year ended March 31, 2016**

#### **(Referred to in our 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, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) The provisions of Section 185 and 186 of the Act are not applicable to the Company during the year under review. Hence, the provisions of Clause 3(iv) of the Order are not applicable.
- (v) In our opinion and according to the information and explanations given to us, 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. The Company has not any order from Company Law Board or National Company Law Tribunal or Reserve Bank of India or any other court or any other tribunal during the year under review.

- (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) According to information and explanations given to us, the Company did not have any dues to financial institution, bank, Government or dues to debenture holders during the year. Hence the question of default in repayment of dues does not arise.
- (ix) The Company has not raised money either by way of initial public offer or further public offer and has not availed any term loan during the year ended March 31, 2016. Hence the provisions of Clause 3(ix) of the Order are not applicable.
- (x) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.
- (xi) The Company has not paid or provided for any managerial remuneration. Therefore, the provisions of Clause 3(xi) of the Order are not applicable.
- (xii) The Company is not a Nidhi Company. Therefore, the provisions of Clause 3(xii) of the Order are not applicable.
- (xiii) The Company has not entered into any related party transactions during the year. Therefore, the provisions of Clause 3(xiii) of the Order are not applicable.
- (xiv) The Company has not raised money either through preferential allotment or private placement or fully or partly convertible debentures during the year under review. Therefore, the provisions of Clause 3 (xiv) of the Order are not applicable.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with him. Hence, the provisions of Clause 3(xv) of the Order are not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

Place : Chennai  
Date : April 20, 2016

**Ramamoorthy N**  
Proprietor  
M. No. 227125

For **Ramamoorthy N & Associates**  
Chartered Accountants  
FRN 015905S

## TWENTY FIFTH ANNUAL REPORT 2015 - 16

<b>BALANCE SHEET</b>			
<b>Particulars</b>	<b>Note No</b>	<b>As at</b>	<b>As at</b>
		<b>31<sup>st</sup> March 2016</b>	<b>31<sup>st</sup> March 2015</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
<b>Total</b>		<b>1,000,000</b>	<b>1,007,500</b>
<b>II. Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
Capital work-in-progress	3	391,588	339,682
Other non-current assets	4	40,652	40,652
<b>Current assets</b>			
Short-term loans and advances	5	22,900	-
Cash and cash equivalents	6	544,860	627,166
<b>Total</b>		<b>1,000,000</b>	<b>1,007,500</b>

Notes 1 to 14 form an integral part of these financial statements

This is the balance sheet referred to in our report of even date

For **Ramamoorthy N & Associates**  
Chartered Accountants  
FRN 015905S

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

**Ramamoorthy N**  
Proprietor  
M. No. 227125

**Unnamalai Thiagarajan**  
Director  
DIN: 00203154

**C. Ramachandran**  
Director  
DIN: 00050893

Place : Chennai  
Date : 20.04.2016

<b>STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016</b>			
<b>Particulars</b>	<b>Note No</b>	<b>As at</b>	<b>As at</b>
		<b>31<sup>st</sup> March 2016</b>	<b>31<sup>st</sup> March 2015</b>
		₹	₹
<b>Revenue</b>			
Revenue from operations		-	-
<b>Total revenue</b>		-	-
<b>Expenses</b>			
Other expenses		-	-
<b>Total expenses</b>		-	-

Notes 1 to 14 form an integral part of these financial statements

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

For **Ramamoorthy N & Associates**  
Chartered Accountants  
FRN 015905S

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

**Ramamoorthy N**  
Proprietor  
M. No. 227125

**Unnamalai Thiagarajan**  
Director  
DIN: 00203154

**C. Ramachandran**  
Director  
DIN: 00050893

Place : Chennai  
Date : 20.04.2016

## TWENTY FIFTH ANNUAL REPORT 2015 - 16

### NOTES TO THE BALANCE SHEET AS AT MARCH 31, 2016

Sl.No.	Particulars	As at March 31, 2016		As at March 31, 2015	
		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	100,000	100.00%	100,000	100.00%
	( including 6 shares held through nominees )				
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	100,000	100.00%	100,000	100.00%
	( including 6 shares held through nominees )				
d)	<b>Rights, preferences, restrictions</b>	The Company has one class of equity shares having a par value of Rs. 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, 2016	As at 31 <sup>st</sup> March, 2015
		₹	₹
2	<b>Short-term provisions</b>		
	Provision for audit fees	-	7,500
	<b>Total</b>	<b>-</b>	<b>7,500</b>
3	<b>Non-current assets</b>		
	Capital work-in-progress (Refer Note 11)	391,588	339,682
	<b>Total</b>	<b>391,588</b>	<b>339,682</b>
4	<b>Short-term loans and advances</b>		
	Other advances	22,900	-
	<b>Total</b>	<b>22,900</b>	<b>-</b>
5	<b>Other non-current assets</b>		
	Miscellaneous Expenditure to the extent not written off	40,652	40,652
	<b>Total</b>	<b>40,652</b>	<b>40,652</b>
6	<b>Cash and cash equivalents</b>		
	Cash in hand	-	-
	Balance with Banks in Current Account	544,860	627,166
	<b>Total</b>	<b>544,860</b>	<b>627,166</b>

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

### **7 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.

### **8 SIGNIFICANT ACCOUNTING POLICIES**

#### **8.1 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.

#### **8.2 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.

#### **8.3 Revenue Recognition**

The Company is yet to commence its operations.

#### **8.4 Employee Benefits**

The Company has no employees during the period under review.

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### 8.5 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.

### 8.6 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.

### 9 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.

## 10 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.

## 11 PAYMENT TO AUDITORS

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
	₹	₹
Statutory Audit Fees	7,500	7,500

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

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
	₹	₹
Audit Fees	7,500	7,500
Bank Charges	1,141	720
Legal & Professional Fees	33,865	24,000
Rates & Taxes	9,400	2,000
<b>Total</b>	<b>51,906</b>	<b>34,220</b>

**13 Previous Year Comparatives**

Previous year figures have been regrouped wherever necessary

14 All the figures in the financial statements 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 our report of even date.

For **Ramamoorthy N & Associates**  
Chartered Accountants  
FRN 015905S

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

**Ramamoorthy N**  
Proprietor  
Membership No. 227125

**Unnamalai Thiagarajan**  
Director  
DIN: 00203154

**C. Ramachandran**  
Director  
DIN: 00050893

Place : Chennai  
Date : 20.04.2016

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ELNET SOFTWARE CITY LIMITED		
Cash Flow Statement For The Year Ended March 31, 2016		
Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
	₹	₹
<b>A) CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Loss before tax	-	-
<b>Adjustments for:</b>		
Depreciation	-	-
Interest & Finance Charges	-	-
Interest Income	-	-
Foreign Exchange Difference	-	-
Operating Profit before Working Capital Changes	-	-
<b>Adjustments for:</b>		
Decrease/(Increase) in Current & Non current Assets	(22,900.00)	-
Increase/(Decrease) in Current & Non current Liabilities	7,500.00	-
Adjustment for provisions	-	-
<b>Cash generated from operations</b>	<b>(30,400.00)</b>	-
Income tax paid	-	-
<b>Net Cash flow from Operating activities (A)</b>	<b>(30,400.00)</b>	-
<b>B) CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Capital work-in-progress	(51,906.00)	(34,220.00)
Net Cash flow from Investing activities (B)	(51,906.00)	(34,220.00)
<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>(82,306.00)</b>	<b>(34,220.00)</b>
Cash and Cash equivalents at the beginning of the year	627,166.00	661,386.00
<b>Cash and Cash equivalents at the end of the year</b>	<b>544,860.00</b>	<b>627,166.00</b>

Notes 1 to 14 form an integral part of these financial statements

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

For **Ramamoorthy N & Associates**

For and behalf of the Board of Directors

Chartered Accountants

**Elnet Software City Limited**

FRN 015905S

**Ramamoorthy N**

**Unnamalai Thiagarajan**

**C. Ramachandran**

Proprietor

Director

Director

Membership No. 227125

DIN: 00203154

DIN: 00050893

Place : Chennai

Date : 20.04.2016



**NOTES**

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**NOTES**