

# ELNET TECHNOLOGIES LIMITED

**30th ANNUAL REPORT  
2020-21**

<b>BOARD OF DIRECTORS</b>	<p>Mr. Ajay Yadav, IAS., Chairman and Non-Executive Director  Mrs. Unnamalai Thiagarajan, Managing Director  Mr. C. Ramachandran, IAS., (Retd) - Non-Executive Director  Mr. J. Ravi - Non-Executive Director  Mr. G. Chellakrishna - Non-Executive Independent Director  Mr. H. Karthik Seshadri - Non-Executive Independent Director  Mr. R. Ganapathi - Non-Executive Independent Director  Mr. G. Senrayaperumal - Non-Executive Independent Director  Mr. K. Kasim, IPS (Retd.) - Non-Executive Independent Director  Mr. A. P Radhakrishnan - Non-Executive Independent Director  Mr. S. Kirubanandan - Non-Executive Director  Mr. N. Srivathsa Desikan - Non-Executive Director</p>
<b>CHIEF FINANCIAL OFFICER</b>	Mrs. E. Kamakshi
<b>COMPLIANCE OFFICER</b>	Ms. Divya Raj Gupta
<b>STATUTORY AUDITORS</b>	M/s. MSKA and Associates Teynampet, Chennai - 600018.
<b>SECRETARIAL AUDITORS</b>	M/s. BP and Associates Ashok Nagar, Chennai.
<b>INTERNAL AUDITORS</b>	M/s. Ajay Kumar and Associates Chennai.
<b>BANKERS</b>	<p><b>Axis Bank Limited</b>  Thiruvanmiyur Branch, Chennai 600 041.</p> <p><b>State Bank of India</b>  Industrial Finance Branch  Chetpet, Chennai 600 031.</p> <p><b>Canara Bank</b>  Tidel Park Branch, Chennai 600 113.</p>
<b>REGISTERED OFFICE</b>	Elnet Software City TS 140, Block No. 2 & 9, Rajiv Gandhi Salai, Taramani, Chennai 600 113.
<b>REGISTRAR AND SHARE TRANSFER AGENTS</b>	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

THIRTIETH ANNUAL REPORT 2020 - 21

(in ₹ Lakhs)

Financial Highlights	As per IND As						As per IGAAP					
	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12		
Gross Revenue	2639.61	2911.83	2548.69	2588.33	2528.69	2414.35	2330.04	2253.80	2169.21	1687.72		
Profits Before Tax	1630.62	1467.11	1166.29	1233.15	1205.99	979.78	847.39	864.59	802.03	635.51		
Taxation	431.93	382.18	325.11	333.25	422.51	335.17	284.69	280.69	263.13	214.16		
Profits After Tax	1198.69	1084.93	841.18	899.9	783.48	644.61	562.7	583.90	538.90	421.35		
Dividend	56.00	48.00	60.00	60.00	56.00	68.00	56.00	56.00	48.00	48.00		
Dividend & Dividend Taxes	56.00	48.00	72.33	72.21	67.40	81.84	67.4	65.52	65.52	55.79		
Borrowings	426.34	426.34	426.34	426.34	426.34	426.34	426.34	426.34	426.34	426.34		
Networth	9685.09	8534.49	7521.15	6775.84	5912.49	5300.44	4737.36	4299.21	3780.82	3298.38		
Earnings per Equity Share	29.97	27.12	21.03	22.5	19.59	16.12	14.07	14.60	13.47	10.53		
Dividend on Equity Share	14%	12%	15%	15%	14%	17%	14%	14%	12%	12%		
Debt: Equity Ratio	0.04:1	0.04:1	0.06:1	0.06:1	0.07:1	0.08:1	0.08:1	0.1:1	0.1:1	0.1:1		
Book Value of the Company	242.13	213.36	188.03	169.40	147.81	132.51	118.43	107.48	94.52	82.46		
Return on Networth / Return on Equity in %	11.80	12.15	10.22	12.22	12.11	10.62	10.46	12.06	12.52	11.08		
Dividend Payout ratio	0.05:1	0.04:1	0.07:1	0.07:1	0.07:1	0.11:1	0.10:1	0.10:1	0.09:1	0.11:1		
Dividend/Net Income - In %	4.67	4.42	7.13	6.67	7.15	10.55	9.95	9.59	8.91	11.39		
Return on Capital Employed	15.23	15.30	13.48	17.51	19.30	13.67	12.87	14.03	14.32	12.65		
P/E ratio	4.00	2.95	5.05	6.67	6.44	4.46	4.69	2.96	2.96	3.61		

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## NOTICE CONVENING THE THIRTIETH ANNUAL GENERAL MEETING

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

### ORDINARY BUSINESS:

#### 1. Adoption of Financial Statements

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

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

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

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

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

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

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

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

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

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

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

## SPECIAL BUSINESS:

### 5. Appointment of Thiru Ajay Yadav IAS., (DIN:07785020), as Chairman and Non-Executive Director

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

“**RESOLVED THAT** pursuant to the provisions of Section 152, 160, 161 and other applicable provisions of the Companies Act, 2013 (“Act”) and the Rules made there under including any statutory modification(s) or re-enactments thereof for the time being in force) and pursuant to recommendation of the Nomination and Remuneration Committee and Articles of Association of the Company, Thiru Ajay Yadav IAS. (DIN: 07785020) who was appointed as Chairman & Non-Executive Additional Director of the Company by the Board of Directors with effect from June 23, 2021 and who holds office up to the date of this 30th Annual General Meeting, be and is hereby appointed as a Chairman and Non-Executive Director of the Company not liable to retire by rotation in terms of Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution and for matters connected therewith or incidental thereto.”

### 6. Appointment of Thiru. S. Kirubanandan, (DIN: 08952166) as non-executive director.

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

“**RESOLVED THAT** pursuant to the provisions of Section 152, 160, 161 and other applicable provisions of the Companies Act, 2013 (“Act”) and the Rules made there under (including any statutory modification(s) or re-enactments thereof for the time being in force), and pursuant to recommendation of the Nomination and Remuneration Committee and Articles of Association of the Company Mr. S. Kirubanandan (DIN: 08952166) who was appointed as a Non-Executive Additional Director of the Company by the Board of Directors at its meeting held on November 11, 2020 and who holds office up to the date

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

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution and for matters connected therewith or incidental thereto.”

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

**Place:** Chennai  
**Date:** June 23, 2021

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

**Registered Office:**

Elnet Software City,  
TS 140, Block No.2 & 9,  
Rajiv Gandhi Salai, Taramani,  
Chennai - 600 113  
Phone: +91-44-2254 1793, Fax: +91-44-2254 1955  
e-Mail:elnetcity@gmail.com  
Website: www.elnettechnologies.com  
CIN: L72300TN1990PLC019459

### IMPORTANT NOTES:

1. The details pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2), in respect of Director seeking re-appointment and the Explanatory Statement in respect of appointment of Auditors are annexed hereto.
2. In line with the MCA Circulars issued from time to time and SEBI Circulars dated 12th May, 2020 and 15th January, 2021, the Notice calling the AGM and Annual Report 2020-21 are being sent through electronic mode only to those Members whose email addresses are registered with the Company / Depositories. Members may note that Notice and Annual Report 2020-21 will also be made available on the Company's website at [www.elnettechnologies.com](http://www.elnettechnologies.com), websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and the AGM Notice is also available on the website of CDSL (agency for providing the Remote e-Voting facility) i.e. [www.evotingindia.com](http://www.evotingindia.com)
3. **The Register of Members will remain closed from Thursday, July 22, 2021 to Wednesday, July 28, 2021 (both days inclusive). Wednesday, July 21, 2021 shall be the cut-off date as on which the right of voting of the Members shall be reckoned and a person who is not a Member as on the cut-off date should treat this Notice for information purposes only.**
4. Members who have not yet registered their email addresses are requested to register the same with their Depository Participants in case the shares are held by them in dematerialized form and with the Company in case the shares are held by them in physical form.
5. As per Regulation 40 of SEBI Listing Regulations, securities of listed companies can be transferred only in dematerialized form with effect from April 01, 2019, except in case of request received for transmission or transposition of securities. In view of this, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form.
6. Pursuant to section 124 of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF). Accordingly, the Company would be transferring the seven years' unpaid/unclaimed Dividend with respect to the dividend declared in the Financial Year 2013-14 within 30 days from the cut-off date of August 20, 2021. As per the provisions, the 3 months' prior intimation to the eligible shareholders via Newspapers advertisement has given and the same has been updated in website of the Company [www.elnettechnologies.com](http://www.elnettechnologies.com). Such Members are requested to ensure their claim, before it is transferred to the said Fund.



As on March 31, 2021, following amount of dividends remained unclaimed:

Financial year for which dividend declared	Unpaid/ Unclaimed Dividend Amount As on 31.03.2021 (In ₹)	Date of Declaration of Dividend	7 Years from the date of transfer to Unpaid Dividend Account
2013-14	250423.60	17.07.2014	20.08.2021
2014-15	233098.80	08.07.2015	10.08.2022
2015-16	324652.50	15.06.2016	18.07.2023
2016-17	274075.40	06.07.2017	08.08.2024
2017-18	232649.00	09.08.2018	07.09.2025
2018-19	218010.00	09.08.2019	11.09.2026
2019-20	165346.60	28.09.2020	30.10.2027
<b>TOTAL</b>	<b>1698255.90</b>		

**7. CDSL E-VOTING SYSTEM – FOR REMOTE E-VOTING AND E-VOTING DURING AGM**

- i. As you are aware, in view of the situation arising due to Covid-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The ensuing AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
- ii. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a Member using remote e-Voting as well as the e-Voting system on the date of the AGM will be provided by CDSL.
- iii. **The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.**

- iv. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 Members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- v. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- vi. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.
- vii. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM and the Annual Report for the financial year 2020-21 has been uploaded on the website of the Company at [www.elnettechnologies.com](http://www.elnettechnologies.com). The Notice can also be accessed on the websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-Voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
- viii. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

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

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

- iii. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- iv. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.

	<p>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/Easi Registration">https://web.cdslindia.com/myeasi/Registration/Easi Registration</a>.</p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
<p>Individual Shareholders holding securities in demat mode with <b>NSDL</b></p>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

	<p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
<p>Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b></p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

<b>Login type</b>	<b>Helpdesk details</b>
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**v. Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding in Demat form & physical shareholders.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) 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 e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

<b>For Shareholders holding shares in Demat Form other than individual and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company or Registrar and Share Transfer Agent (Contact: 044-40020728, kandhimathi@cameoindia.com).</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both 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 (v).</li> </ul>

- vi. After entering these details appropriately, click on “SUBMIT” tab.
- vii. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- viii. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- ix. Click on the EVSN for the relevant <ELNET TECHNOLOGIES LIMITED> on which you choose to vote.
- x. 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.

- xi. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xii. 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.
- xiii. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xiv. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xv. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

**9. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

- i. For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhaar Card) by email to [kandhimathi@cameoindia.com](mailto:kandhimathi@cameoindia.com) (**RTA**).
- ii. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP).
- iii. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

**10. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

- i. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- ii. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.



- iii. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- iv. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- v. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- vi. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **6 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [elnetcity@gmail.com](mailto:elnetcity@gmail.com) (company); [kandhimathi@cameoindia.com](mailto:kandhimathi@cameoindia.com) (RTA).
- vii. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **6 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [elnetcity@gmail.com](mailto:elnetcity@gmail.com) (company); [kandhimathi@cameoindia.com](mailto:kandhimathi@cameoindia.com) (RTA). These queries will be replied to by the company suitably by [elnetcity@gmail.com](mailto:elnetcity@gmail.com) (Company's email).
- viii. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

**11. INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-**

- i. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- ii. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- iii. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

- iv. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

## 12. NOTE FOR NON – INDIVIDUAL SHAREHOLDERS AND CUSTODIANS

- i. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- ii. 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).
- iii. 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.
- iv. The list of accounts linked in the login 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.
- v. 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.
- vi. Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [elnetcity@gmail.com](mailto:elnetcity@gmail.com) (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- vii. In case you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

13. **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 (record date) of Wednesday, July 21, 2021.**
14. **Dividend on equity shares, if declared at the Meeting, will be credited/dispatched within the timeline specified in the respective rules to those members whose name appears in the Company Register of Members as on the cut-off date (record date) of Wednesday, July 21, 2021.**
15. The Board of Directors has appointed M/s. BP & Associates, Practicing Company Secretaries, New No.74 (old No.62) Akshaya Flats, 3rd Floor, 12th Avenue, Ashok Nagar, Chennai-83 as the Scrutinizer (entity id: 83104) for conducting the e-voting process in a fair and transparent manner.
16. The Scrutiniser shall after the conclusion of voting during the general meeting, will first count the votes cast during the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutiniser'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 declare the result of the voting forthwith.
17. The Statutory Registers and documents in accordance with the Companies Act, 2013 will be available for inspection in electronic mode.
18. The Results shall be declared by the Chairman or any person authorized by him in this regard on or before July 30, 2021. The result along with the Scrutiniser's Report shall also be placed on the website of the Company [www.elnettechnologies.com](http://www.elnettechnologies.com) and on the website of the CDSL i.e., [www.evotingindia.com](http://www.evotingindia.com) and Stock exchange i.e., [www.bseindia.com](http://www.bseindia.com)

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

**Place:** Chennai  
**Date:** June 23, 2021

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

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Annexure to the Notice of 30th Annual General Meeting scheduled to be held on Wednesday, the 28th day of July, 2021 at 04.00 P.M IST through VC/OAVM facility.

### **ITEM NO. 5 - APPOINTMENT OF THIRU. AJAY YADAV, IAS., (DIN:07785020), AS CHAIRMAN AND NON-EXECUTIVE DIRECTOR**

Pursuant to recommendation of Nomination and Remuneration Committee and the Articles of Association of the Company, the Board of Directors of the Company at its meeting held on June 23, 2021 approved the appointment of Thiru. Ajay Yadav, IAS., as Non-Executive Additional Director of the Company with effect from June 23, 2021.

Thiru. Ajay Yadav, IAS., is eligible to hold the office up to the date of this 30th Annual General Meeting. An ordinary resolution seeking the approval of shareholders is placed in this 30th Annual General Meeting.

None of the Directors, Key Managerial Personnel and / or their relatives are, in anyway, concerned or interested, financially or otherwise, in the proposed resolution except the appointee himself.

### **ITEM NO. 6 - APPOINTMENT OF THIRU. S. KIRUBANANDAN, (DIN: 08952166) AS NON-EXECUTIVE DIRECTOR.**

Pursuant to recommendation of Nomination and Remuneration Committee and the Articles of Association of the Company, the Board of Directors of the Company at its meeting held on November 11, 2020 approved the appointment of Thiru. S. Kirubanandan as Non-Executive Additional Director of the Company with effect from November 11, 2020.

Thiru. S. Kirubanandan is eligible to hold the office up to the date of this 30th Annual General Meeting. An ordinary resolution seeking the approval of shareholders is placed in this 30th Annual General Meeting.

None of the Directors, Key Managerial Personnel and / or their relatives are, in anyway, concerned or interested, financially or otherwise, in the proposed resolution except the appointee himself.

**Details of Directors seeking Appointment/Re-appointment at the 30th Annual General Meeting Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meeting.**

**THIRTIETH ANNUAL REPORT 2020 - 21**

Name of Director	<b>Thiru. Ajay Yadav, IAS.,</b>	<b>Thiru. S. Kirubanandan</b>
DIN	07785020	08952166
Date of Birth & Age	20.08.1983 & 37 years	07.04.1965 & 56 years
Nationality	Indian	Indian
Qualification	IAS	Chartered Accountant, Cost Accountant and Law Graduate.
Experience and Expertise in specific functional areas / profile	Thiru. Ajay Yadav IAS., has served the Government in various capacities and worked in public sector companies.	Thiru. S. Kirubanandan has 23 years experience in the various fields. He is an expert in Finance, Accounts and law
<b>Date of Appointment at current designation/ Date of first appointment on the Board</b>	23.06.2021	11.11.2020
Terms of Appointment / Re- appointment	Appointment as Chairman and Non-Executive Director.	Appointment as Non-Executive Director.
Remuneration sought to be paid	NIL	NIL
Remuneration last drawn for the FY 2020-21	Not Applicable	₹ 0.21 lacs sitting fees paid for the Meetings attended during the financial year 2020-21. Other than sitting fees no remuneration was paid.
Shareholding in this company	NIL	NIL
Relationship	Relationship with directors, Manager & KMP- NIL	Relationship with directors, Manager & KMP- NIL
No. of Board Meetings held and attended during the year	NA	3 / 5

Name of Director	<b>Thiru. Ajay Yadav, IAS.,</b>	<b>Thiru. S. Kirubanandan</b>
<p>Directorship in other Companies &amp; Membership / Chairmanship of Committees of other Boards</p>	<ol style="list-style-type: none"> <li>1) Tidel Park Coimbatore Limited - Director</li> <li>2) Ravichandra systems and Computer Services Limited- Chairmman - Director</li> <li>3) Indian Institute of Information Technology, Trichy - Member</li> <li>4) Tamil Nadu Industrial Guidance and export Promotion Bureau - Member</li> <li>5) Tamil Virtual Academy- Director / Member</li> <li>6) Electronics Corporation of Tamil Nadu Limited - Managing Director</li> <li>7) ICT Academy of Tamil Nadu - Director</li> <li>8) Tamilnadu Arasu Cable T.V Corporation Public Limited - Director</li> <li>9) Tamil Nadu Fibrenet Corporation Limited - Director</li> <li>10) Tamil Nadu E-Governance Agency - CEO / Member</li> <li>11) Chennai Smart City Limited - Director</li> <li>12) DCL Software Limited - Chairman - Director</li> <li>13) Kody Teck Limited - Chairman - Director</li> <li>14) Intwel Technologies Limited - Chairman - Director</li> <li>15) TIDEL Park Limited - Director</li> </ol> <p>(List of Companies as on 23rd June, 2021.)</p>	<p>Tidel Park Coimbatore Limited - Director</p>

**THIRTIETH ANNUAL REPORT 2020 - 21**

Name of Director	<b>Mr. C. Ramachandran IAS (Retd.)</b>	<b>Mr. J. Ravi</b>
DIN	00042953	00050893
Date of Birth & Age	15.05.1938 & 83 years	03.10.1954 & 66 years
Nationality	Indian	Indian
Qualification	B.Sc (Hons)., MA	B. Tech - Chemical Engineering
Experience and Expertise in specific functional areas	Mr. C. Ramachandran IAS (Retd.) served the Government in various capacities, served in public sector companies and retired as Principal Secretary, Industries Dept., He is specialised in the area of Corporate Management.	Mr. J. Ravi has 34 years of experience in International Trading
<b>Date of Appointment at current designation / Date of first appointment on the Board</b>	08.08.2003	08.08.2003
Terms of Appointment Re-appointment	Liable to retire by rotation and sought of reappointment.	Liable to retire by rotation and sought reappointment.
Remuneration sought to be paid	NIL	NIL
Remuneration last drawn for the FY 2020-21	₹ 1.26 lacs sitting fees paid for the Meetings attended during the financial year 2020-21. Other than sitting fees no remuneration was paid.	₹ 0.70 lacs sitting fees paid for the Meetings attended during the financial year 2020-21. Other than sitting fees no remuneration was paid.

Name of Director	<b>Mr. C. Ramachandran IAS (Retd.)</b>	<b>Mr. J. Ravi</b>
Shareholding in this company	NIL	NIL
Relationship	Relationship with directors, Manager & KMP- NIL	Relationship with directors, Manager & KMP - NIL
No. of Board Meetings held and attended during the year	5 / 5	5 / 5
Name(s) of other entities in which holding of directorship	1. Dewa Properties Limited 2. IG3 Infra Limited 3. The Great Indian Linen And Textile Infrastructure Company Private Limited 4. Grand Luxe Hotels limited	NIL
Chairpersonship/ Membership in committees of other Entities	<b>Audit Committee</b> IG3 Infra Limited <b>Stakeholder Relationship Committee</b> NIL	NIL

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

**Place:** Chennai  
**Date:** June 23, 2021

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



## BOARD'S REPORT

Dear Members,

Your Directors have great pleasure in presenting the Thirtieth Annual Report together with the Audited financial statements of your Company for the Financial Year ended March 31, 2021.

### FINANCIAL HIGHLIGHTS

The financial performance of your company is stated hereunder:

(₹ In Lakhs)

S. No	Particulars	2020-21	2019-20
1.	Revenue from operations	2135.84	2403.69
2.	Other income	503.77	508.14
3.	Total revenue	2639.61	2911.83
4.	Expenses	1008.99	1444.72
5.	Profit before exceptional items and tax	1630.62	1467.11
6.	Exceptional items	0.00	0.00
7.	Profit before tax	1630.62	1467.11
8.	Tax expense	431.93	382.18
9.	Profit for the period	1198.69	1084.93
10.	Other comprehensive income, net of income tax	(0.09)	0.74
11.	Total comprehensive income for the period	1198.60	1085.67
12.	Earnings per share	29.97	27.12

### PERFORMANCE OF THE COMPANY

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

During the year 2020-21, there was no significant change in the business model of the company.

#### DIVIDEND

The Board of Directors at their meeting held on June 23, 2021 are pleased to recommend a dividend of 14% i.e ₹ 1.40 on the Equity Shares of the Company for the financial year ended

March 31, 2021. The dividend, if approved by the Shareholders will be paid within the statutory period to all those equity shareholders whose names appear on the Register of Members of the Company as on Wednesday, July 21, 2021 being the record date.

### **SHARE CAPITAL**

During the year under review, your Company has not issued any type of Shares. Hence there is no change in the share capital of the company.

### **TRANSFER TO RESERVES**

The Company retained the entire surplus in the Profit and Loss Account and hence no transfer to General Reserve was made during the Year.

### **TRANSFERS TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

Pursuant to section 124 of the Companies Act, 2013 ("the Act") read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("The Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government, after completion of seven consecutive years from the date of transfer to unpaid dividend account. Further, according to the Rules, the shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall also be transferred to the demat account of IEPF Authority.

### **Transfer of Unpaid/ Unclaimed Dividend Amount/Shares pertaining to the dividend declared in the financial year ended March 31, 2014 to Investor Education and Protection Fund (IEPF)**

The due date for transfer of unpaid/unclaimed dividend amount and corresponding shares for the dividend declared during the financial year ended March 31, 2014 is August 20, 2021. In compliance with the provision, during the financial year 2021-2022, the Company had sent intimation to the eligible shareholders and advertised in the newspaper seeking action from the shareholders who have not claimed their dividends for seven consecutive years or more for the dividend declared during the financial year ended March 31, 2014. Accordingly, after the expiry of due date for claiming the unpaid/ unclaimed dividend, the Company will transfer such unpaid or unclaimed dividends and also the corresponding shares for the Financial Year ended March 31, 2014 to IEPF authority.

Details of shares/shareholders in respect of which dividend has not been claimed, are provided on the website of the company [www.elnettechnologies.com](http://www.elnettechnologies.com). (Investors/Compliances/unpaid dividend data/year 2021). Members are requested to ensure that they claim the dividends and shares referred above, before they are transferred to the said Fund.

## **THIRTIETH ANNUAL REPORT 2020 - 21**

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Members/claimants whose shares, and/or unclaimed dividend, have been transferred to the IEPF Demat Account or the Fund, as the case may be, may claim the shares or apply for refund of dividend by making an application to the IEPF Authority in Form IEPF-5 (available on <http://www.iepf.gov.in>) along with requisite fee as decided by the IEPF Authority from time to time. The Member/claimant can file only one consolidated claim in a Financial Year as per the IEPF Rules.

### **CASH FLOW STATEMENT**

In compliance with the provisions of Section 134 of Companies Act, 2013 and Regulation 34(2) (c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Cash flow statement for the financial year ended March 31, 2021 forms part of this Annual Report.

### **NUMBER OF MEETINGS OF THE BOARD & COMMITTEES**

The Board of Directors met 05 (Five) times during the financial year ended March 31, 2021. i.e., on June 29, 2020, August 17, 2020, November 11, 2020, January 25, 2021 and February 10, 2021. The gap between the Board meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Details regarding attendance of directors at the Board Meetings and the particulars of meeting of all Committees held during the financial year ended March 31, 2021 are given in the Corporate Governance report forming part of this Annual Report.

### **PASSING OF BOARD RESOLUTION BY CIRCULATION**

During the financial year 2020-21, there were no resolutions passed through circulation.

### **AUDIT COMMITTEE**

Pursuant to section 177(8) of Companies Act, 2013, the Company has constituted an Audit Committee. The particulars of Composition of the Audit Committee, meetings held during the year and other particulars have been detailed in the Corporate Governance Report forming part of this Annual Report.

### **DETAILS OF RECOMMENDATIONS OF AUDIT COMMITTEE WHICH WERE NOT ACCEPTED BY THE BOARD ALONG WITH REASONS**

The Audit Committee generally makes certain recommendations to the Board of Directors of the Company during their meetings held to consider any financial results (Unaudited and Audited) and such other matters placed before the Audit Committee as per the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from time to time. During the year the Board of Directors has considered all the recommendations made by the Audit Committee and has accepted and carried on the recommendations suggested by the

Committee to its satisfaction. Hence there are no recommendations unaccepted by the Board of Directors of the Company during the year under review.

## **CHANGE IN DIRECTORS AND KEY MANAGERIAL PERSONNEL**

### **CHANGE IN DIRECTORS - APPOINTMENT, CHANGE IN DESIGNATION AND RESIGNATION**

#### **APPOINTMENT:**

Mr. P. R Nithiyandanan (DIN: 07721702) Regularised as Director at the 29th Annual General Meeting held on 28th September, 2020.

Mr. D. Ravichandran, IAS., (DIN: 08644903) was appointed as the Chairman and Non-Executive Director of the company with effect from November 02, 2020, in the place of Mr. Vijayakumar, IAS., (DIN: 08128389). Mr. D. Ravichandran, IAS., (DIN: 08644903) resigned from the board w.e.f. June 23, 2021 at the Meeting of Board of Directors held on June 23, 2021.

Mr. Kirubanandan (DIN: 08952116) was appointed as a Non Executive Director of the Company with effect from November 11, 2020, subject to the approval of Shareholders of the company, in place of Mr. P.R Nithiyandanan (DIN: 07721702). The said appointment is deployed for approval of Shareholders in this 30th Annual General Meeting.

Mr. Ajay Yadav IAS., (DIN: 07785020) was appointed in place of Mr. D. Ravichandran IAS., (DIN: 08644903) as the Chairman and Non-Executive Director of the company with effect from June 23, 2021, subject to the approval of shareholders of the Company. The said appointment is deployed for approval of Shareholders in this 30th Annual General Meeting.

#### **RESIGNATION**

Mr. M. Vijayakumar IAS., (DIN: 08128389) and Mr. P.R Nithiyandanan (DIN: 07721702) resigned from the Board of the Company with effect from October 31, 2020 and November 11, 2020 respectively. The Board places its sincere gratitude for the services and support rendered by the said Director during his tenure in the Board.

Mr. D.Ravichandran, IAS., (DIN:08644903) resigned from the Board of the Company with effect from June 23, 2021. The Board places its sincere gratitude for the services and support rendered by the said Directors during their tenure in the Board.

#### **RETIREMENT BY ROTATION**

Pursuant to Section 152(6)(c) of Companies Act, 2013, Mr. J. Ravi (DIN:00042953) and Mr. C. Ramachandran (DIN: 00050893) retired by rotation at the 29th Annual General Meeting of the Company held on September 28, 2020 and being eligible and willing, were re-appointed.

### CHANGE IN KEY MANAGERIAL PERSONNEL

During the financial year ended March 31, 2021, Mr. Joswa Johnson, Company secretary resigned from the Company with effect from February 18, 2021. The Board places its sincere gratitude for the services and support rendered by him during his tenure in the Company as the Key Managerial personnel of the Company.

### ANNUAL RETURN

Pursuant to the provisions of Section 134(3) (a) of the Companies Act, 2013, the Annual return as per provisions of Section 92 (3) of the Companies Act, 2013 can be viewed on the website of the company [www.elnettechnologies.com](http://www.elnettechnologies.com) and can be accessed at <http://www.elnettechnologies.com/Document/Draft%20Annual%20Return%202020-21.pdf>

### INDEPENDENT DIRECTORS' DECLARATION

The Company has received declarations from all the Independent Directors on the board of the Company as on the end of financial year 2020-21 confirming that they continue to meet with the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 25 & 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made under thereto.

In the opinion of the Board, all the Independent Directors are the person of integrity and are expert in various field of Finance, Law, Technology, Engineering, Commerce and have more than 20 years of vast experience. As all the Independent directors on the Board carries more than 10 years of experience, they are exempted from appearing in online proficiency self-assessment test conducted by the institute notified under sub-section (1) of section 150 of the Companies Act, 2013, hence in the opinion of the Board all the Independent Directors of the Company fulfill the conditions specified in the Listing Regulations and are independent of the management.

### CORPORATE GOVERNANCE REPORT

Pursuant to Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with schedule-V thereof, the report on Corporate Governance and also the certificate of practicing Company Secretaries regarding compliance with the conditions of Corporate Governance has been furnished in the Annual Report as **ANNEXURE-VI** and forms part of the Annual Report.

### MANAGEMENT DISCUSSION & ANALYSIS

Pursuant to Regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with schedule-V thereof, the Management Discussion and Analysis

report has been annexed to the Boards Report as **ANNEXURE-IV** and forms part of the Annual Report.

## COMPLIANCE WITH CODE OF CONDUCT

The Company has framed a Code of Conduct for the Board of Directors and Senior Management personnel of the Company. The Code of Conduct is available on the Company's website. All the Board of Directors and Senior Management personnel have affirmed compliance with the Code of conduct as on March 31, 2021.

As required under Regulation 34(3) and Schedule V (D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a declaration from Mrs. Unnamalai Thiagarajan, Managing director to this effect is annexed to the report on corporate governance which forms part of this Annual Report.

## LISTING OF SHARES

The equity shares of the Company are listed on the Stock Exchange viz., BSE Limited (BSE). The Company has paid the applicable listing fees to the Stock Exchange within the stipulated time.

## DEMATERIALIZATION OF EQUITY SHARES

As on March 31, 2021, 38,65,935 numbers of equity shares are held in Dematerialized form, which constitutes 97% of total shareholding. The Company urges its shareholders to dematerialize the remaining physical shares also at the earliest.

## ACCEPTANCE OF DEPOSITS

During the year under review, your Company neither accepted any deposits nor there were any amounts outstanding at the beginning or end of the year which were classified as 'Deposits' in terms of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014 and hence, the requirement for furnishing of details of deposits which are not in compliance with the Chapter V of the Companies Act, 2013 is not applicable.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Sections 134(3) (c) and 134(5) of the Act, in relation to the audited financial statements of the Company for the year ended March 31, 2021, the Board of Directors hereby confirms that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures wherever applicable.

- b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at March 31, 2021 and of the profit of your Company for the year ended on that date.
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities.
- d) the Directors have prepared the annual accounts on a 'going concern' basis.
- e) the Directors have laid down internal financial controls to be followed by your Company and that such internal financial controls are adequate and are operating effectively and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### **CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

In compliance with the requirements of Section 135 and Schedule VII of the Companies Act, 2013 read with The Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, the Board of Directors have framed a policy on CSR as recommended by the CSR committee duly constituted and the said policy is available on the Company's website [www.elnettechnologies.com](http://www.elnettechnologies.com). The composition and terms of reference of the CSR Committee is detailed in the Corporate Governance Report forming part of this Annual Report.

The disclosure on Corporate Social Responsibility initiatives during the financial year has been provided in **ANNEXURE-III** which forms part of this Annual Report.

### **STATUTORY AUDITORS**

Pursuant to the provisions of Section 139 of Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended, M/s. MSKA and Associates, Chartered Accountants, Chennai, were appointed as Statutory Auditors of your Company in the 26th Annual General Meeting of the Company for a term of 5 years till the conclusion of 31st Annual General Meeting.

The Annual Accounts of the Company including its Balance Sheet, Statement of Profit and Loss and Cash Flow Statement including the Notes and Schedules to the Accounts have been audited by M/s. MSKA Associates, Chartered Accountants, Chennai.

The Independent Auditors Report given by the Auditors on the financial statements of the Company is forming part of the Annual Report. There has been no qualification, reservation,

adverse remark or disclaimer given by the Auditors in their Report which requires any explanation/ comments by the Board.

### SECRETARIAL AUDITOR

Pursuant to the Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Board of Directors had appointed M/s. BP & Associates, Practicing Company Secretaries, Chennai as the Secretarial Auditors of the Company for conducting the Secretarial Audit for the financial year 2020-21. The Secretarial Audit Report for the Financial Year 2020-21 contain observation, As per the Regulation 6(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 – The Company has not been able to appoint a compliance officer from 19th February, 2021 due to Covid-19. However, The company has now taken steps to appoint a compliance officer.#

### MANAGEMENT'S REPLY

The observations made in the Secretarial Auditors' Report are self-explanatory, contain no qualification, reservations, adverse remarks and disclaimers and therefore do not call for any further comments. The Secretarial Audit Report is forming part of this Annual Report and annexed in **Annexure-V**.

### INTERNAL AUDITOR

Pursuant to Section 138 of the Companies Act, 2013 read with Rule 13 of The Companies (Accounts) Rules, 2014 and all other applicable provisions (including any amendment thereto) if any of the Companies Act, 2013 M/s. Ajay Kumar and Associates, Chartered Accountants, Chennai were appointed as the Internal Auditors of the Company for the Financial Year 2020-21.

The audit conducted by the Internal Auditors is based on an internal audit plan, which is reviewed each quarter in consultation with the Audit Committee. These audits are based on risk based methodology and inter alia involve the review of internal controls and governance processes, adherence to management policies and review of statutory compliances. The Internal Auditors share their findings on an ongoing basis during the financial year for corrective action. The Audit Committee oversees the work of Internal Auditors.

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# As per the Regulation 6 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms. Divya Raj Gupta, Qualified Company Secretary being appointed as a Compliance officer of our Company with effect from June 25, 2021.



## COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS

During the Financial Year 2020-21, your Company has complied with applicable Secretarial Standards, namely SS-1 & SS-2 issued by the Institute of Company Secretaries of India.

## PARTICULARS OF EMPLOYEES

The information as required under the provisions of Section 197(12) of the Companies Act, 2013 and read with Rule 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are set out in **ANNEXURE-I** attached herewith which forms part of this report.

The statement containing such particulars of employees as required in terms of the provisions of Section 197(12) of the Act read with rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of the Annual Report. Pursuant to the provisions of the Section 136(1) of the Companies Act, 2013, the reports and accounts, as set out therein, are being sent to all members of the Company, excluding the aforesaid information and the same is open for inspection at the registered office of the Company during working hours upto the date of Annual General Meeting and if any member is interested in obtaining such information, may write to the Company Secretary at the registered office of the Company in this regard.

## CONSERVATION OF ENERGY / TECHNOLOGY ABSORPTION/FOREIGN EXCHANGE EARNINGS AND OUTGO

### A. Conservation of Energy:

Steps taken or impact on conservation of energy	The operations of the Company are not energy-intensive. However, wherever possible, the Company strives to curtail the consumption of energy on a continuing basis.
Steps taken by the company for utilizing alternate sources of energy	
Capital investment on energy conservation equipment's	

**B. Technology absorption:**

Efforts made towards technology absorption	Not Applicable
Benefits derived like product improvement, cost reduction, product development or import substitution	
Expenditure on Research & Development, if any	
Details of technology imported, if any	
Year of import	
Whether imported technology fully Absorbed	
Areas where absorption of imported technology has not taken place, if any	

**C. Foreign Exchange Earning and Outgo:**

Total Foreign exchange earned	NIL
Total Foreign exchange outgo	NIL

**ANNUAL BOARD EVALUATION AND FAMILIARIZING PROGRAMME**

The Board has carried out an annual evaluation of its own performance, the directors and also Committees of the Board based on the guideline formulated by the Nomination & Remuneration Committee under Self-evaluation method. Board composition, quality and timely flow of information, frequency of meetings, and level of participation in discussions were some of the parameters considered during the evaluation process. A note on the familiarizing programme adopted by the Company for the orientation and training of the Directors and the Board evaluation process undertaken in compliance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in the Corporate Governance Report which forms part of this Report. Further, the Independent Directors of the Company met once during the year on February 10, 2021 to review the performance of the Non-executive directors, Chairman of the Company and performance of the Board as a whole. Details regarding familiarisation programme are also available on the website of the Company.

As per the SEBI Circular SEBI/HO/CFD/CMD/CIR/P/2018/79 dated 10th May 2018, the followings details are being provided on Board evaluation.

Observations of board evaluation carried out for the year.	There were no observations arising out of board evaluation during the year as the evaluation indicates that the Board has functioned effectively within its powers as enumerated under Companies Act, 2013 and in consonance with the Articles of Association of the Company.
Previous year's observations and action taken.	There were no observations during the previous year warranting any action.
Proposed actions based on current year observations.	As there were no observations, the action to be taken does not arise.

### NOMINATION AND REMUNERATION POLICY

The Company believes that a diverse and inclusive culture is integral to its success. A diverse Board, among others, will enhance the quality of decisions by utilizing different skills, qualifications, professional experience and knowledge of the Board members necessary for achieving sustainable and balanced development. Accordingly, Board based on the recommendation of the Nomination and Remuneration Committee has formulated a policy on directors appointment, remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The policy covers the appointment, including criteria for determining qualification, positive attributes, independence and remuneration of its Directors, Key Managerial Personnel and Senior Management Personnel. The key highlights of the policy forms part of this Report. The Nomination and Remuneration Policy may be accessed on the Company's website at [www.elnettechnologies.com](http://www.elnettechnologies.com).

#### **Affirmation that the remuneration is as per the remuneration policy of the company**

The Company has formulated the Nomination and Remuneration Policy in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Part D of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. This policy governs the criteria for deciding the remuneration for Directors and Key Managerial Personnel. It is affirmed that the remuneration to Directors and Key Managerial Personnel is being fixed based on the criteria and parameters mentioned in the above mentioned policy of the Company.

#### **Board Diversity**

The Company recognizes and values the importance of a diverse board as part of its corporate governance and success. The Company believes that a truly diverse Board will leverage differences in ideas, knowledge, thought, perspective, experience, skill sets, age, ethnicity, religion and gender which will go a long way in retaining its competitive advantage.

## **ESTABLISHMENT OF VIGIL MECHANISM/ WHISTLE BLOWER POLICY**

Pursuant to Section 177(9) of Companies Act 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has formulated a whistle blower mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected frauds or violation of the Company's code of conduct and ethics. The Audit Committee of the Board oversees the functioning of Whistle Blower Policy. The Whistle Blower Policy covering all employees and directors is available in the Company's website at [www.elnettechnologies.com](http://www.elnettechnologies.com)

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

The Company has not given any loans or guarantees covered under the provision of section 186 of the Companies Act, 2013. The details of the investments made by the Company are given in the notes to the financial statements which forms part of this Annual Report.

## **RISK MANAGEMENT POLICY**

Pursuant to section 134(3)(n) of the Companies Act, 2013 the Company has framed Risk Management Policy which lays down the framework to define, assess, monitor and mitigate the business, operational, financial and other risks associated with the business of the Company. The Company has been addressing risks impacting the Company in Management Discussion and Analysis Report which forms part of this Annual Report.

During the year the Company has not identified any element of risk which may threaten the existence of the Company.

## **DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has an Internal Complaints Committees as required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company firmly provides a safe, supportive and friendly workplace environment - a workplace where our values come to life through the underlying behaviours. Positive workplace environment and a great employee experience are integral parts of our culture.

During the year under review, there were no cases filed pursuant to the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## **MATERIAL CHANGES AND COMMITMENTS**

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this Report.

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

During the financial year, the Company has not entered into any new contracts / arrangements with related parties which qualify as material in accordance with the Policy of the Company on materiality of related party transactions.

There are no materially significant related party transactions that may have potential conflict with interest of the company at large.

The details of the related party transactions as per Indian Accounting Standards (Ind AS) – 24 are set out in Note No. 39 to the Financial Statements of the Company.

Form AOC-2 pursuant to Section 134 (2) (h) of the Companies Act, 2013 read with Rule 8 (2) of the Companies (Accounts) Rules, 2014 is set out the **ANNEXURE-II** to the report.

The policy on Related Party Transactions as approved can be accessed at website of the company [www.elnettechnologies.com](http://www.elnettechnologies.com)

### **REPORT AS PER SECTION 134 READ WITH RULE 8 AND SUB RULE 5 OF COMPANIES ACCOUNTS RULES 2014**

Change in nature of business, if any: NIL

Name of Companies which have become or ceased to be its subsidiaries, Joint Ventures or associate companies during the year: NA

### **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE.**

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.

### **INTERNAL CONTROL AND SYSTEMS AND THEIR ADEQUACY**

The Company has an adequate internal control system which commensurate with the size, scale and complexity of its operations. The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and there by strengthen the controls. A report of Auditors pursuant to Section 143(3) (i) of the Companies Act, 2013 certifying the adequacy of Internal Financial Controls is annexed with the Auditors report.

## **COST AUDIT**

Provisions relating to cost audit are not applicable to the Company.

## **DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS**

The auditors of the Company has stated that during the course of their audit, there were no material fraud by the Company or on the Company by its officers or employees noticed or reported in Independent Auditors Report which forms part of this Report. Hence, there is nothing to report to Audit Committee or Board of Directors of the Company.

## **PERSONNEL**

Employee relations have been very cordial during the financial year ended March 31, 2021. The Board wishes to place on record its appreciation to all the employees in the Company for their sustained efforts and immense contribution to the high level of performance and growth of the business during the year. The Management team of the Company comprises of experienced passionate driven professionals committed to the organizational goals.

## **ACKNOWLEDGMENT**

Your Directors gratefully acknowledge the continued support and co-operation of Government of Tamil Nadu, Electronics Corporation of Tamil Nadu Ltd., (ELCOT).

The Directors also thank the Bankers, Axis Bank - Thiruvanniyur Branch, State Bank of India - Industrial Finance Branch, Chennai, Canara Bank - Tidel Park Branch, Axis Bank - Chennai Main Branch, Mylapore and the Company's customers, dealers, vendors and sub-contractors for their valuable support and assistance extended during the year.

The Directors wish to place on record their appreciation of the good work done by all the employees of the Company during the year under review.

For and on behalf of the Board of Directors,

**Ajay Yadav, IAS.,**

Chairman

DIN: 07785020

**Unnamalai Thiagarajan**

Managing Director

DIN: 00203154

**Place:** Chennai

**Date:** June 23, 2021

## ANNEXURE - I TO BOARD'S REPORT

### PARTICULARS OF EMPLOYEES

**A. Disclosure with respect to the remuneration of Directors and employees as required under Section 197 of the Companies Act, 2013 and Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, 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 2020-21:

Name of Directors	Designation	Ratio to median remuneration
Unnamalai Thiagarajan	Managing Director	4.42

None of the other Directors received any remuneration from the Company during the financial year 2020-21.

- b) Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2020-21.

Name	Designation	% increase in remuneration in financial year 2020-21
Unnamalai Thiagarajan	Managing Director	NIL
E. Kamakshi	Chief Financial Officer	NIL
Joshwa Johnson (upto February 18, 2021)	Company Secretary	NIL

- c) Percentage increase in the median remuneration of employees in the financial year 2020-21: 0.00%
- d) The number of permanent employees on the rolls of the company: 12 (excluding MD)
- e) 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 any exceptional circumstances for increase in the managerial remuneration:

There was no change in salaries of employees other than managerial personnel in 2020-21. Percentage increase in managerial remuneration excluding Managing Director

for the year was 0.00% and there were no increase in remuneration of the Managing Director. The increase in remunerations is in line with the market trends.

The Company affirms that the remuneration is as per the Remuneration Policy of the Company.

- f) The key parameters for any variable component of remuneration availed by the directors:

The variable component of remuneration availed by Executive directors is based on the percentage of net profits as per the Section 198 of Companies Act, 2013 as approved by the Shareholders.

- g) Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company affirms that the remuneration is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors,

**Ajay Yadav, IAS.,**

Chairman

DIN: 07785020

**Unnamalai Thiagarajan**

Managing Director

DIN: 00203154

**Place:** Chennai

**Date:** June 23, 2021



## ANNEXURE - II TO BOARD'S REPORT

### 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)**

**1. Details of contracts or arrangements or transactions not at arm's length basis.**

NIL

**2. Details of material contracts or arrangements or transactions at arm's length basis.**

S. No.	Particulars	Details
a)	Name (s) of the related party	Electronic Corporation of Tamil Nadu Ltd (ELCOT)
b)	Nature of Relationship	Joint Venture company holding 26% of Equity capital in the company
c)	Nature of contracts / arrangements / transactions	Leasing of land (Lease taken)
d)	Duration of the contracts / arrangements / transactions	90 Years
e)	Salient terms of the contracts or arrangements or transactions including the value, if any	Leasing of land for 90 Years with effect from 14.01.99
f)	Amount paid as advances, if any	₹ 8,37,33,691/- (Outstanding as on March 31, 2021 as per IND AS)

**Notes:** During the financial year, the Company has not entered into any new contracts / arrangements with related parties which qualify as material in accordance with the policy of the Company on materiality of related party transactions.

The details of the related party transactions as per Indian Accounting Standards (IND AS) – 24 are set out in Note No. 39 to the Financial Statements of the Company.

For and on behalf of the Board of Directors,

**Place:** Chennai  
**Date:** June 23, 2021

**Ajay Yadav, IAS.,**  
Chairman  
DIN: 07785020

**Unnamalai Thiagarajan**  
Managing Director  
DIN: 00203154

## ANNEXURE - III TO BOARD'S REPORT

### ANNUAL REPORT ON CSR ACTIVITIES

#### 1. Brief outline on CSR Policy of the Company.

As per the Companies Act, 2013, Elnet Technologies Limited has a policy on Corporate Social Responsibility (hereinafter referred as CSR) which requires the company 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 Company, but instead promotes 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 on the website [www.elnettechnologies.com](http://www.elnettechnologies.com)

#### 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. J. Ravi	Chairman (NED)	1	1
2.	Mr. H. Karthik Seshadri	Member (NEID)	1	1
3.	Mr. N. Srivathsa Desikan	Member (NED)	1	1

#### 3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

Composition of CSR committee	<a href="http://www.elnettechnologies.com/Document/Compositon%20of%20Board%20&amp;%20Committees-2021.pdf">http://www.elnettechnologies.com/Document/Compositon%20of%20Board%20&amp;%20Committees-2021.pdf</a>
CSR Policy	<a href="http://www.elnettechnologies.com/Document/CSR%20Policy.pdf">http://www.elnettechnologies.com/Document/CSR%20Policy.pdf</a>
CSR projects approved by the board	<a href="http://www.elnettechnologies.com/Document/CSR%20Policy.pdf">http://www.elnettechnologies.com/Document/CSR%20Policy.pdf</a>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). - Not Applicable for the Financial Year
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
NIL			

6. Average net profit of the company as per section 135(5). ₹ 1288.85 Lakhs

7. (a)	Two percent of average net profit of the company as per section 135(5)	₹ 25.77 Lakhs
(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	NIL
(c)	Amount required to be set off for the financial year, if any	NIL
(d)	Total CSR obligation for the financial year (7a+7b-7c).	₹ 25.77 Lakhs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
25.80 Lakhs	NOT APPLICABLE		NOT APPLICABLE		

**(b) Details of CSR amount spent against ongoing projects for the financial year:**

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Project duration	(7) Amount allocated for the project (in ₹)	(8) Amount spent in the current financial Year (in ₹)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	(10) Mode of Implementation - Direct (Yes / No)	(11) Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR registration number
Not Applicable												

**(c) Details of CSR amount spent against other than ongoing projects for the financial year:**

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent For the project (₹ in lacs)	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of Implementation - Through Implementing Agency			
				State	District			Name	CSR registration number#		
1	Eradicating Poverty & Hunger	Clause (i) - Eradicating hunger, poverty and malnutrition	No	Uttar Pradesh	Lucknow	5.00	No	Awadh International Foundation	CSR00010573		
2	Protection of Historical Building	Clause (v) - Protection of Historical Building	No	Uttar Pradesh	Ayodhya	10.00	No	Shri Ram Janmbhoomi Teerth Kshetra			
3	Eradicating Poverty & Hunger	Clause (i) - Eradicating hunger, poverty and malnutrition	No	Tamil Nadu	Coimbatore	10.00	No	Koval Makkal Sevalai Maiyam			
4	Health	Clause (i) - Promoting Health Care	Yes	Tamil Nadu	Chennai	0.80	No	Cancer Institute (W.I.A)	CSR00007235		
<b>TOTAL</b>								<b>25.80</b>			

# CSR registration will be obtained within the prescribed timeline, wherever applicable, as per the CSR Amendment Rules. The requirement does not apply to CSR projects or programs approved prior to April 1, 2021.

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8	(d)	<b>Amount spent in Administrative Overheads</b>	NOT APPLICABLE
8	(e)	<b>Amount spent on Impact Assessment, if applicable</b>	NOT APPLICABLE
8	(f)	<b>Total amount spent for the Financial Year (8b+8c+8d+8e)</b>	₹ 25.80 Lakhs

**8 (g) Excess amount for set off, if any**

Sl. No.	Particular	Amount (₹ in Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	25.77
(ii)	Total amount spent for the Financial Year	25.80
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.03
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	–
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.03

**9. (a) Details of Unspent CSR amount for the preceding three financial years:**

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of Transfer	
NOT APPLICABLE							

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in The reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing
NOT APPLICABLE								

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).**

(a) Date of creation or acquisition of the capital asset(s)	NOT APPLICABLE
(b) Amount of CSR spent for creation or acquisition of capital asset	NOT APPLICABLE
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	NOT APPLICABLE
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	NOT APPLICABLE

**11. Specify the reason(s) if the company has failed to spend two per cent of the average net profit as per section 135(5).**

NOT APPLICABLE

For and on behalf of the Board of Directors,

**J. Ravi**

Chairman of CSR Committee  
DIN: 00042953

**Unnamalai Thiagarajan**

Managing Director  
DIN: 00203154

**Place:** Chennai  
**Date:** June 23, 2021

## **ANNEXURE - IV TO BOARD'S REPORT**

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

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

Your company is engaged in developing and maintaining an integrated software technology park 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 Board, the growth in the Software and BPO Industry is fairly good and the demand for space is expected to remain at the 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.

The COVID-19 outbreak has developed rapidly in India and across the globe. Measures taken by the Government to contain the virus, like lock downs, travel bans and other measures, have affected economic activity and has caused disruption to regular business operations of the company.

The management has made a detailed assessment of its liquidity position for the next year and recoverability and carrying value of the assets comprising of property plant and equipment, trade receivables and other financial and non-financial assets. Based on the current indicators of future economic conditions, the company expects to recover the carrying amount of these assets. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of COVID-19 pandemic which may be different from that estimated as at the date of approval of these financial statements.

#### **SEGMENT WISE / PRODUCT WISE PERFORMANCE**

The Company has only one reportable segment in accordance with IND AS 108 as "Operating Segments". Hence, Segment wise / product wise performance is not applicable to your company.

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

The Company has an adequate internal control system which commensurate with the size, scale and complexity of its operations. The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the

report of internal audit function, process owners undertake corrective action in their respective areas and there by strengthen the controls. A report of Auditors pursuant to Section 143(3) (i) of the Companies Act, 2013 certifying the adequacy of Internal Financial Controls is annexed with the Auditors report.

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

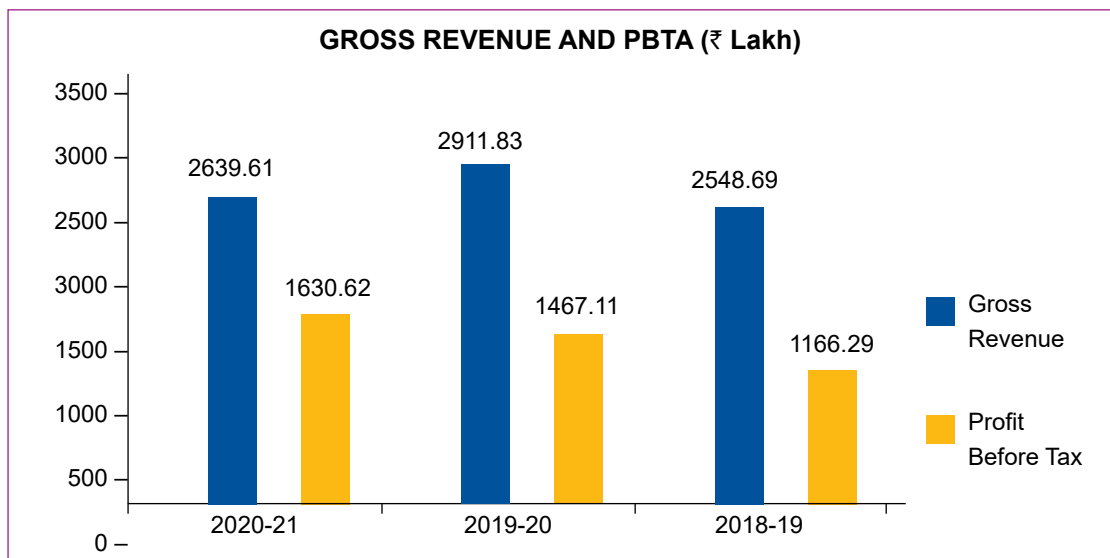
There were no material developments in relation to Human Resources / Industrial Relations in your Company as the Company has minimum employee strength. The Company has on its Roll twelve employees (excluding Managing Director) and the rest of the operations are carried through outsourcing.

### FINANCIAL PERFORMANCE WITH REFERENCE TO OPERATIONAL PERFORMANCE

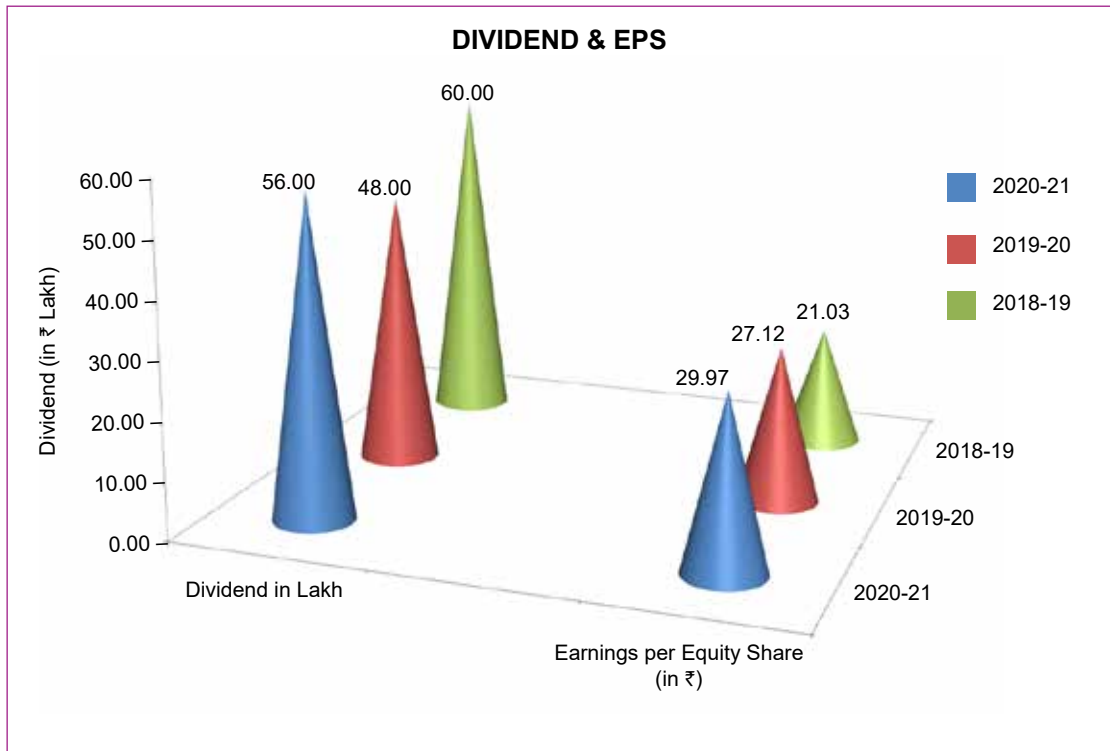
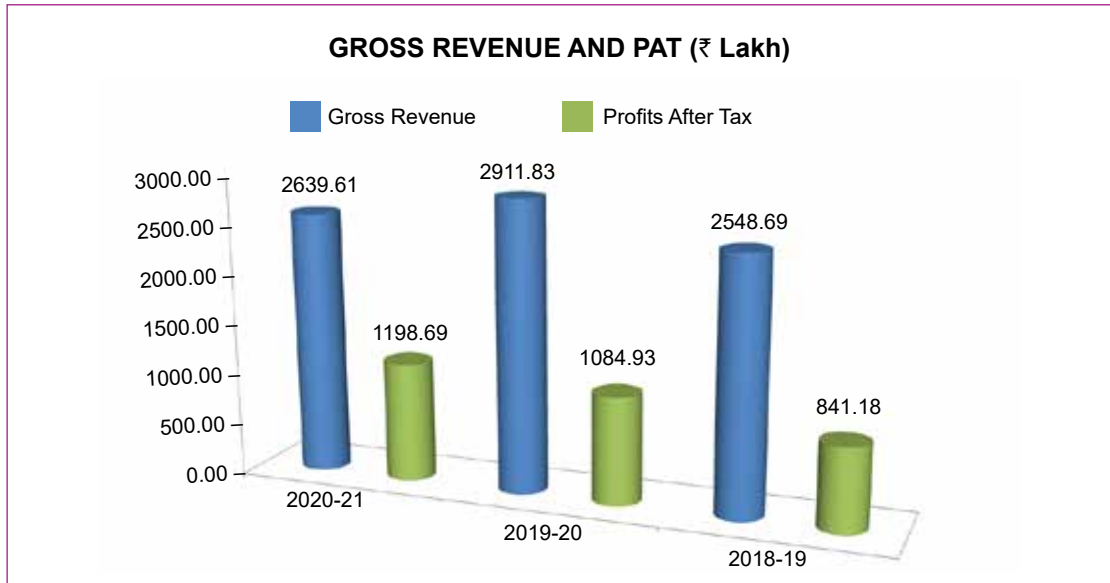
The financial performance with reference to the operation of the company is detailed in the Board's Report (please refer page no. 17).

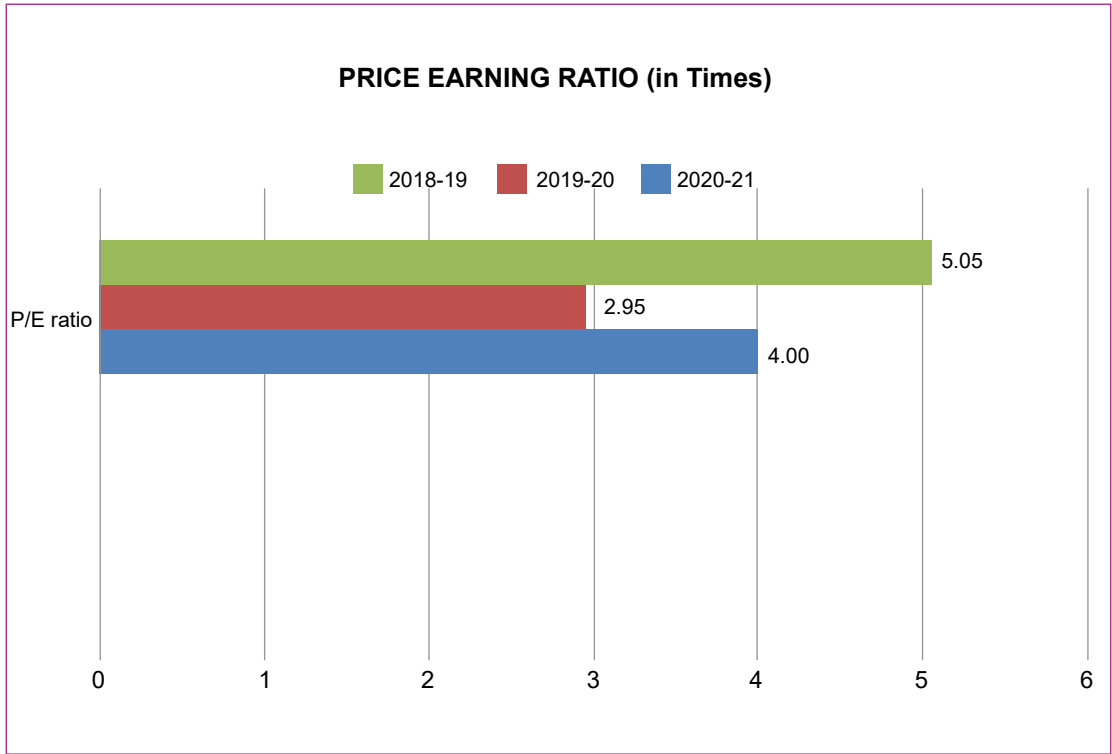
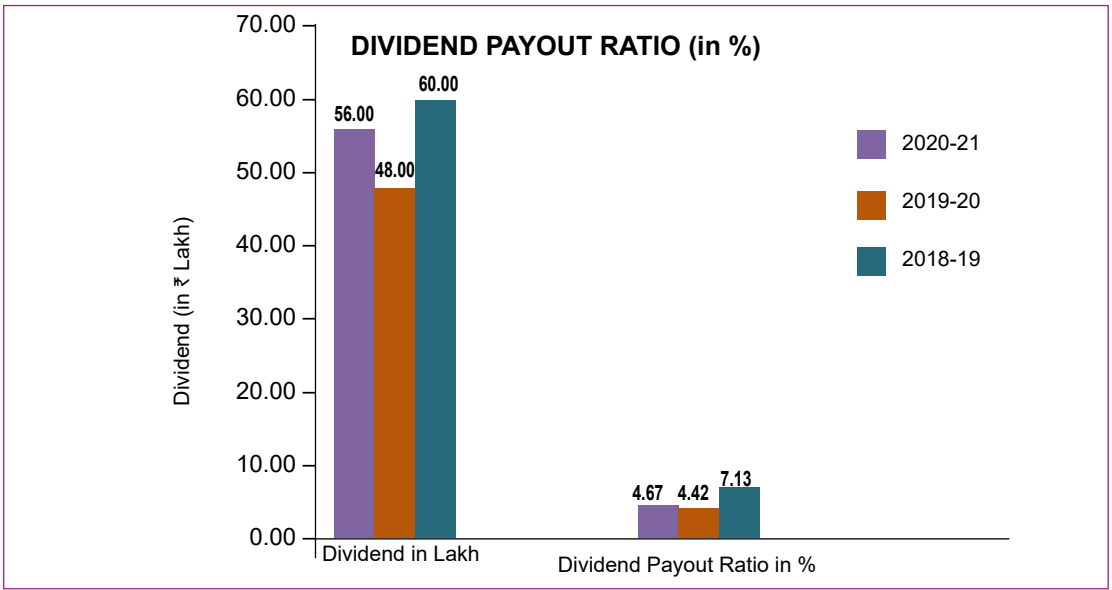
The comparison for the past ten years standalone financial highlights is provided in the annual report (please refer page no. 2).

### TRENDS ON FINANCIAL AND OPERATIONAL PERFORMANCE

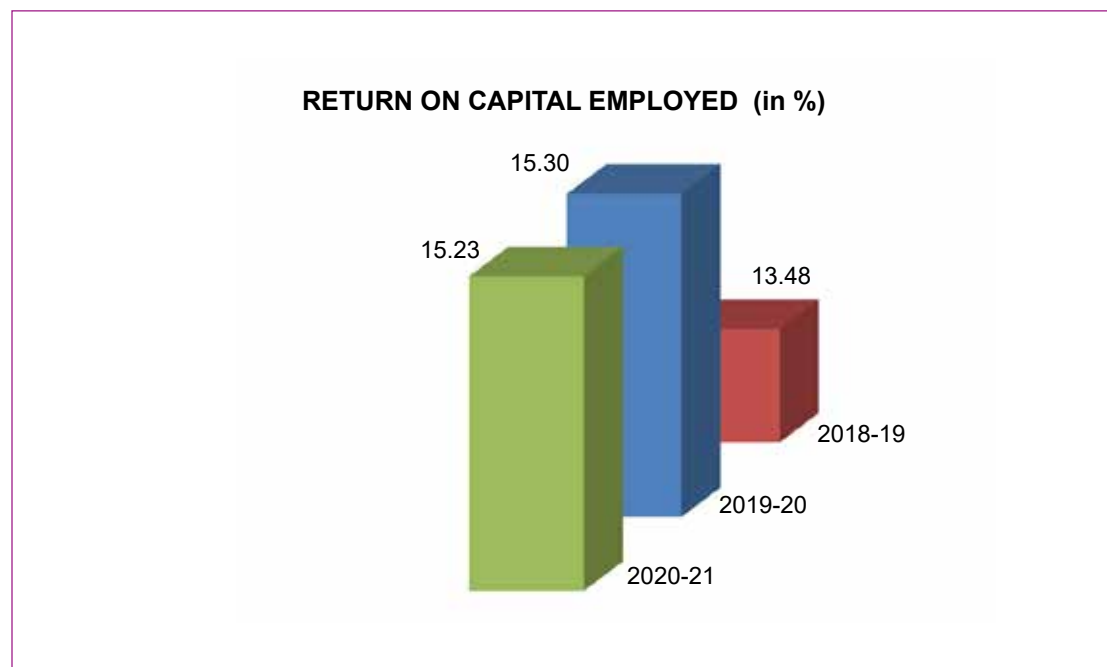
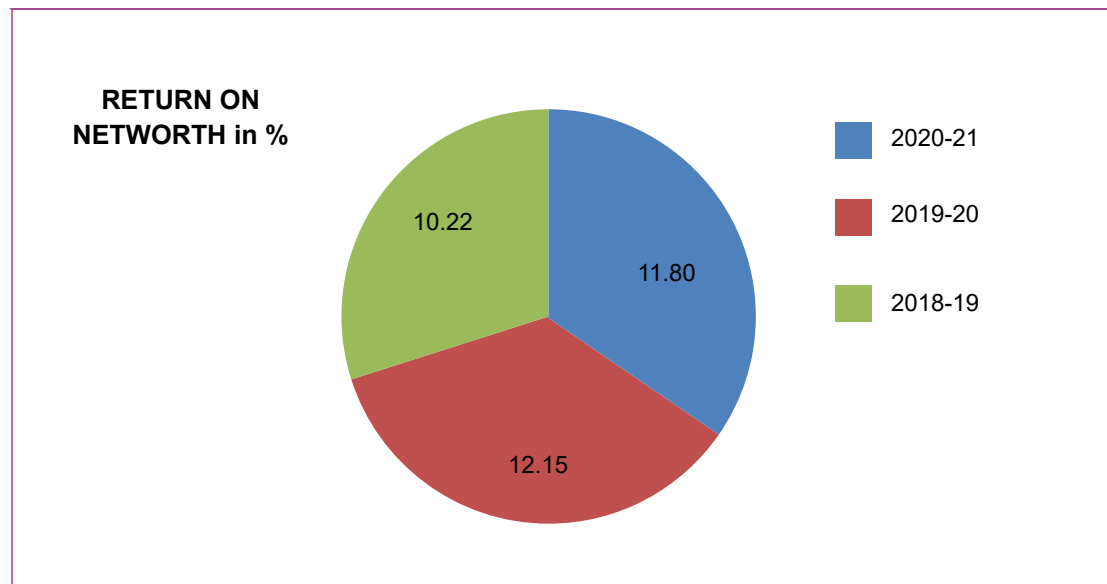








**THIRTIETH ANNUAL REPORT 2020 - 21**



**DISCLAIMER**

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.

## ANNEXURE - V TO BOARD'S REPORT

### Form No. MR-3

#### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

**[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, CPT Road,  
Taramani, Chennai - 600 113.

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 and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the company has during the audit period covering the financial year ended on 31st March, 2021 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, 2021 according to the applicable provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;

- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;
  - d. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
  - e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - f. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- vi. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- vii. Other laws applicable to the Company as per the representations made by the Management;

With respect to Fiscal laws such as Income Tax and Goods and Service Tax 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, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively, issued by The Institute of Company Secretaries of India have been generally complied with.

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

- a) *As per the Regulation 6(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 – The Company has not been able to appoint a compliance officer from 19th February, 2021 due to Covid -19. However, The company has now taken steps to appoint a compliance officer.*

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 and Listing of Debt Securities) Regulations, 2008;
- ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- iii. The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;

We further report that:

The Board of Directors of the Company is duly constituted with the 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 has been given to all directors to schedule the board meetings, agenda and detailed notes on the 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 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.

We further report that during the audit period, the following significant events have taken place:

1. Mr. Nithyanandan Radhakrishnan Parthasarath (DIN: 07721702) Regularised as Director at the 29th Annual General Meeting held on 28th September, 2020.
2. Mr. Vijaya Kumar Mariappan (DIN: 08128389) Chairman and Non-Executive Director of the Company has Resigned from Board with effect from on 31st October, 2020.
3. Mr. Duraisamy Ravichandran (DIN: 08644903) appointed as the Chairman – Non-Executive Director of the Company with Effect from 02nd November, 2020.
4. Mr. Nithyanandan Radhakrishnan Parthasarath (DIN: 07721702) Non- Executive Director of the Company has Resigned from Board with effect from 11th November, 2020.
5. Mr. Kirubanandhan (DIN: 08952166) appointed as an Additional director of the Company with effect from 11th November, 2020.
6. Mr. T. Joswa Johnson Resigned from post of Company Secretary and Compliance officer of the Company with Effect from 18th February, 2021.

For **BP & Associates**  
Company Secretaries

**C. Prabhakar**  
Partner

M No: 30433

CP No: 11033

UDIN: A030433C000500485

**Date:** 23rd June, 2021

**Place:** Chennai

## 'ANNEXURE A'

To  
The Members,  
ELNET TECHNOLOGIES LIMITED,  
TS 140 Block 2 & 9, CPT Road,  
Taramani, Chennai – 600 113.

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 a 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. Wherever 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 a 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**  
Company Secretaries

**C. Prabhakar**  
Partner

M No: 30433

CP No: 11033

UDIN: A030433C000500485

**Date:** 23rd June, 2021

**Place:** Chennai



## REPORT ON CORPORATE GOVERNANCE

### 1. STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company believes in ensuring corporate fairness, transparency, professionalism, accountability and propriety in total functioning of the Company, which are pre-requisites for attaining sustainable growth in this competitive corporate world. Obeying the law, both in letter and in spirit, is the foundation on which the Company's ethical standards are built. The Company would constantly endeavour to improve on these aspects.

The Company's policies, practices and philosophy adopted since inception are in line with sound Corporate Governance norms. These policies and practices are reviewed periodically to ensure its effective compliance. The composition of Board of Directors is well balanced with a view to manage the affairs of the Company efficiently and professionally.

### 2. BOARD OF DIRECTORS

The Board of Directors (the Board), which consists of eminent persons with considerable professional expertise and experience, provides leadership and guidance to the management, thereby enhancing stakeholders' value.

The Board has an ideal combination of Executive and Non-Executive Directors and is in conformity with the provisions of Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The day-to-day management of the company is carried by Mrs. Unnamalai Thiagarajan, Managing Director and Woman Director of the company.

All independent directors possess the requisite qualifications and are very experienced in their own fields. Pursuant to provisions of Companies Act, 2013 and Articles of Association of the Company all the Directors except the Chairman, Managing Director, and Independent Directors are eligible to retire by rotation. Annual disclosures have been obtained from all the directors regarding their directorship as at March 31, 2021 and the same has been taken on record by the Board.

#### a) Board composition and category of Directors

The Composition of the Board of Directors and category of them as on March 31, 2021 are as follows:

S. No	Name of Director	DIN	Designation	Category
1.	* Mr. D. Ravichandran IAS., (w.e.f. November 02, 2020)	08644903	Chairman	NENID
2.	Mrs. Unnamalai Thiagarajan	00203154	Managing Director	ED & Women Director
3.	Mr. C. Ramachandran, IAS (Retd)	00050893	Director	NENID
4.	Mr. J. Ravi	00042953	Director	NENID
5.	** Mr. S. Kirubanandan (w.e.f. November 11, 2020)	08952116	Director	NENID
6.	Mr. N. SrivathsaDesikan	08205725	Director	NENID
7.	Mr. G. Chellakrishna	01036398	Independent Director	NEID
8.	Mr. R. Ganapathi	00103623	Independent Director	NEID
9.	Mr. H. KarthikSeshadri	00203319	Independent Director	
10.	Mr. G. Senrayaperumal	01458026	Independent Director	NEID
11.	Mr. K. Kasim, Retd., IPS	02959356	Independent Director	NEID
12.	Mr. A.P Radhakrishnan	03642690	Independent Director	NEID
13.	**Mr. P.R Nithiyandam (Upto November 11,2020)	07721702	Director	NENID
14.	*Mr. M.Vijayakumar IAS., (Upto October 31, 2020)	08128389	Director	NENID

NENID - Non Executive Non Independent Director

NEID - Non Executive Independent Director

ED - Executive Director

- \* D. Ravichandran, IAS., (DIN:08644903) was appointed as the Chairman and Non-Executive Director of the company with effect from November 02, 2020 in place of Mr. M. Vijayakumar IAS., (DIN: 08128389). He resigned from the board w.e.f. October 31, 2020.
- \*\* Mr. Kirubanandan (DIN:08952116) was appointed as a Non-Executive Director of the company with effect from November 11, 2020 in place of Mr. P.R Nithiyandam (DIN: 07721702)

**b) Attendance of Directors at Board meetings and last Annual General Meeting (AGM)**

S. No	Name of the Director	No. of Board Meetings held during their tenure	No. of Board Meetings attended	Attendance at the last AGM (28th September, 2020)
1.	Mr. D. Ravichandran IAS., (w.e.f. November 02, 2020)	3	3	NA
2.	Mrs. Unnamalai Thiagarajan	5	5	Yes
3.	Mr. C. Ramachandran, IAS, (Retd)	5	5	Yes
4.	Mr. J. Ravi	5	5	Yes
5.	Mr. N. Srivathsa Desikan	5	5	Yes
6.	Mr. S. Kirubanandan (w.e.f. November 11, 2020)	3	3	NA
7.	Mr. R. Ganapathi	5	5	Yes
8.	Mr. H. Karthik Seshadri	5	4	No
9.	Mr. G. Senrayaperumal	5	3	Yes
10.	Mr. K. Kasim, IPS (Retd)	5	4	Yes
11.	Mr. G. Chellakrishna	5	5	Yes
12.	Mr. A.P. Radhakrishnan	5	5	Yes
13.	Mr. P.R. Nithyanandam (Upto November 11, 2020)	2	1	Yes
14.	Mr. M. Vijayakumar IAS., (Upto October 31, 2020)	2	2	Yes

**c) Details of other Company's board of directors or committees in which the directors are the member or chairperson.**

S. No	Name of the Director	*Number of Directorship	**Number of Membership	***Number of Chairmanship	Shareholding in the Company
1.	Mr. D. Ravichandran IAS., (w.e.f. November 02, 2020)	1	0	0	
2.	Mrs. Unnamalai Thiagarajan	1	0	0	500 Shares (Elnet Technologies Limited)
3.	Mr. C. Ramachandran, IAS, (Retd)	1	2	1	
4.	Mr. J. Ravi	1	0	0	
5.	Mr. N. Srivathsa Desikan	1	1	0	
6.	Mr. S. Kirubanandan (w.e.f. November 11, 2020)	1	0	0	
7.	Mr. R. Ganapathi	3	6	1	20,513 Shares (Orient Green Power Limited) 1,48,425 Shares (Trigyn technologies Limited)
8.	Mr. H. Karthik Seshadri	1	2	0	
9.	Mr. G. Senrayaperumal	1	0	0	
10.	Mr. K. Kasim, IPS (Retd)	1	1	0	
11.	Mr. G. Chellakrishna	2	2	2	
12.	Mr. A. P Radhakrishnan	1	0	0	
13.	Mr. P.R Nithiyandam (Upto November 11, 2020)	1	0	0	
14.	Mr. M.Vijayakumar IAS., (Upto October 31, 2020)	1	0	0	

**Notes:**

- \* Number of Directorship held denotes No. of Directorship in listed entities (including Elnet Technologies limited).
- \*\* Number of membership denotes membership in Audit / Stakeholder Relationship Committee in all listed entities (including Elnet Technologies limited).
- \*\*\* Number of chairmanship denotes chairmanship in Audit / Stakeholder Relationship Committee in listed companies (including Elnet Technologies Limited).

The above table does not include unlisted Public Companies.

## THIRTIETH ANNUAL REPORT 2020 - 21

The details of each director along with the number of directorships/ committee memberships/ chairmanships in other unlisted entities and their shareholding as on March 31, 2021 are provided herein below:

Name of the Director	Total no. of Directorships in other unlisted Company <sup>(1)</sup>	Shareholding in the unlisted Company	Membership of Committees <sup>(2)</sup>	Chairmanships of committees <sup>(2)</sup>
Mr. D. Ravichandran IAS., (w.e.f. November 02, 2020)	8	-	0	0
Mrs. Unnamalai Thiagarajan	1	1	0	0
Mr. C. Ramachandran, IAS, (Retd)	3	1	1	0
Mr. J. Ravi	0	-	0	0
Mr. N. Srivathsa Desikan	4	-	0	0
Mr. S. Kirubanandan (w.e.f. November 11, 2020)	1	-	0	0
Mr. R. Ganapathi	3	-	0	0
Mr. H. Karthik Seshadri	0	-	0	0
Mr. G. Senrayaperumal	0	-	0	0
Mr. K. Kasim, IPS (Retd)	1	-	1	0
Mr. G. Chellakrishna	1	-	0	0
Mr. A. P Radhakrishnan	1	-	0	0
Mr. P.R Nithiyanandam (Upto November 11, 2020)	2	-	0	0
Mr. M.Vijayakumar IAS., (Upto October 31, 2020)	5	-	1	0

1. In terms of the applicable provisions of the Act and SEBI Listing Regulations, total number of directorships: -
  - a) consists of directorships in all other unlisted other unlisted public limited companies (including deemed public company).
  - b) excludes foreign companies, private limited companies and Section 8 companies.

2. In terms of the applicable provisions of SEBI Listing Regulations, memberships in committee only includes the Audit Committee and Stakeholders Relationship Committee in other unlisted public limited companies (including deemed public company), and chairmanships in committee only includes the Audit Committee and Stakeholders Relationship Committee in other unlisted entities. In the membership details provided, every chairmanship is also considered as membership.

**The name of other listed entities where the person is a director and the category of directorship**

Name of the Director	Name of Listed entities	Category of directorship
Mr. D. Ravichandran IAS, (w.e.f. November 02, 2020)	-	-
Mrs. Unnamalai Thiagarajan	-	-
Mr. C. Ramachandran, IAS, (Retd)	-	-
Mr. J. Ravi	-	-
Mr. N. Srivathsa Desikan	-	-
Mr. S. Kirubanandan (w.e.f. November 11, 2020)	-	-
Mr. R. Ganapathi	Orient Green Power Company Limited	Non-Executive - Independent Director
	Trigyn Technologies Limited	Non-Executive Director
Mr. H. Karthik Seshadri	-	-
Mr. G. Senrayaperumal	-	-
Mr. K. Kasim, IPS (Retd)	-	-
Mr. G. Chellakrishna	Manali Petrochemicals Limited	Non Executive Independent Director
Mr. A.P. Radhakrishnan	-	-
Mr. P.R. Nithyanandam (Upto November 11, 2020)	-	-
Mr. M. Vijayakumar IAS., (Upto October 31, 2020)	-	-

**d) Number and Dates of meetings of Board of Directors held**

During the financial year ended March 31, 2021, 5 (five) board meetings were held viz., June 29, 2020, August 17, 2020, November 11, 2020, January 25, 2021 and February 10, 2021. The maximum interval between any two meetings was well within the maximum allowed gap of 120 days.

The date and timings of Board/Committee Meetings are pre-scheduled based on their availability confirmation circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings.

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. The Agenda for the Board and Committee meetings include detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision. All the information required for decision making are incorporated in the agenda. Those which are not included in the agenda are tabled at the meeting. The board takes on record the actions taken by the company on all its decisions periodically. The Board also takes on record the compliances made by the company secretary and the chief financial officer of all laws on a quarterly basis.

**Board Support**

The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration. The Company Secretary is also responsible for preparation of the Agenda and convening of the Board and Committee meetings. The Company Secretary attends all the meetings of the Board and its Committees, in the capacity of Secretary of the Committees, assures the Board follows the Compliance and Governance principles and ensures appropriate recording of minutes of the meetings.

**e) Disclosure of relationship between the Directors inter-se**

None of the Board of Directors is related to each other.

**f) Details of shares and convertible instruments held by non- executive directors**

None of the non-executive directors including Independent directors holds any equity shares in the Company as on the financial year ended March 31, 2021 and the Company has not issued any convertible instruments.

**g) Familiarization Programmers of Independent Director**

The Independent directors are provided with necessary documents, reports, internal policies, documents and brochures enabling them to familiarize with the Company's systems, procedures and practices. During every meeting of the Board and committees, periodical

presentations are made on the business updates, strategies, performances and related risks involved. The details of such familiarization programmes for the Independent Directors are posted on the website of the Company [www.elnettechnologies.com](http://www.elnettechnologies.com). (Under the tab Investors--> Compliances--> Policies adopted by the Board--> Familiarization program for Independent Directors 2020-21).

- h) **A chart or a matrix setting out the skills/expertise/competence of the board of directors specifying the list of core skills / expertise / competencies identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board and the names of directors who have such skills / expertise / competence.**

The Board of Directors of our company comprises professional members who bring in the required skills, competence and expertise in the field of Financial Management, Corporate Management, Leadership, Engineering (Projects) and legal that allows them to make effective contributions to the Board and its committees. The Board members are committed to ensuring that the Board of Directors is in compliance with the highest standards of corporate governance.

While evaluating the Board as a whole, it was ensured that the existing board members have relevant core skills / expertise /competencies as required in the context of its business and sector(s) to function effectively.

Skills	Description
Financial Management	Practical knowledge and experience in Corporate Finance, accounting and reporting and internal financial controls, including strong ability to asses financial impact of decision making and ensure profitable and sustainable growth.
Corporate Management and Governance	Board level experience in reputed organisations, with strong understanding of and experience indirecting the management in the best interests of the Company and its stakeholders and in upholding high standards of governance.
Leadership	Experience of playing leadership roles in large businesses, with competencies around strategy development & implementation, sales & marketing, business administration / Operations and Organisations and people management.
Engineering	Executive knowledge in the field of business process.
Regulatory and Legal	Strong expertise and experience incorporate law and regulatory compliance in India and overseas (including industry specific laws).



Professional Background & Skills / expertise / competency of Directors:

Name of the Directors	Brief description about the Directors
Mr. M. Vijayakumar, IAS, (Upto October 31, 2020)	Mr. M. Vijayakumar is an Indian Administrative Officer. He was the chairman of our Company upto October 31, 2020, he was also Managing Director of Electronics Corporation of Tamil Nadu Limited and held directorship in various companies. He is expert in Corporate Management, Crisis Management and conflict resolution management.
Mrs. Unnamalai Thiagarajan	Mrs. Unnamalai Thiagarajan is the Managing Director of the Company. She also holds directorship in various companies. She is a Law Graduate and having 25 years of experience in Business Management, Legal and Plantation Management.
Mr. C. Ramachandran, IAS, (Retd)	Mr. C. Ramachandran IAS (Retd.) is a retired Indian Administrative Officer. He served the Government in various responsibilities, worked in public sector companies and retired as Principal Secretary, Industries Dept., He has expertise in the area of Corporate Management of our Company.
Mr. J. Ravi	Mr. J. Ravi is B. Tech - Chemical Engineering. He has 34 years of experience in International Trading.
Mr. G. Chellakrishna	Mr. G. Chellakrishna is an independent director of the Company. He is a Chartered Accountant and practicing over 2 decades. He is the chairman of Audit committee of our Company. He has vast experience in financial management, Corporate Finance, business administration, regulatory and governance matters.
Mr. R. Ganapathi	Mr. R. Ganapathi is an independent director of the Company. He is graduated in Bachelor of Technology- (Mechanical Engineering - IIT). He is expert in Engineering-Management, IT Training, Construction and Heavy machinery trading.
Mr. H. Karthik Seshadri	Mr. H. Karthik Seshadri is an independent director of the Company. He is graduated in Law [LLB (Hons)]. He has extensive practice over the past 19 years with emphasis on commercial and corporate litigations, Mergers & Acquisitions, as also other Non litigation transactional work. Credited with arguing a number of cases before the High Court of Madras and other Tribunal, Customs, Excise & Service Tax Appellate Tribunal, Securities Appellate Tribunal, Mumbai and having a number of these cases reported in many law journals.

Name of the Directors	Brief description about the Directors
Mr. A. P Radhakrishnan	Mr. A. P Radhakrishnan is an independent director of the Company. He graduated in Bachelor of Engineering (CIVIL) and Master of Business administration. He has 40 Years of experience in Civil engineering projects. He is Expert in project planning, training, advising, execution, Monitoring and Control, and Administration etc.,
Mr. N. Srivathsa Desikan	Mr. N. Srivathsa Desikan graduated in Bachelor of commerce and Master in social of work (Human resources). He is also a Member of the Institute of company secretary of India (ICSI). He is a professional and expertise in Corporate Compliances & Governance and Sustainability of the Company.
Mr. G. Senrayaperumal	Mr. G. Senrayaperumal is an independent director of the Company. He is graduated in commerce. He had 23 years of service in CBCID, The State's leading Investigating Agency of Tamil Nadu Government. During his tenure in crime Branch, handled number of important cases. He worked as a liaison officer All India Police Duty Meets held in Srinagar, Delhi, Shimla, Ahmedabad, Bangalore, Chennai, etc. He has served in various cadres in Police Departments. He is specialised in Corporate Management of the Company.
Mr. K. Kasim, IPS (Retd)	Mr. K. Kasim IPS (Retd.) is an independent director of the Company and he has vast experience in teaching profession. He is eminent writer of political, Religious, etc and he is Expert in Corporate Management.
Mr. P. R Nithyanandan (upto November 11, 2020)	Mr. P. R Nithyanandan was the non-executive Director of the Company upto November 11, 2020. He has 34 years of experience in procurement, promotional and legal.
Mr. D. Ravichandran IAS., (w.e.f. November 02, 2020)	Mr. D. Ravichandran is an Indian Administrative Officer. He is the chairman of our Company. He is also a Managing Director of Electronics Corporation of Tamil Nadu Limited and holds directorship in various companies.
Mr. S. Kirubanandan (w.e.f. November 11, 2020)	Mr. S. Kirubanandan non-executive Director of the company. He has 23 years experience in the various fields. He is an expert in Finance, Accounts and law. He is also a General Manager in Accounts & Finance of Electronics Corporation of Tamil Nadu Limited and holds directorship in various companies.

- i) **Confirmation that in the opinion of the board, the independent directors fulfill the conditions specified in SEBI (LODR) Regulations and are independent of the management.**

In opinion of the Board, the independent Directors of the Company fulfill the conditions specified in the SEBI Listing Regulations and are Independent of the Management of the Company.

- j) **Detailed reasons for the resignation of an independent director who resigns before the expiry of his tenure along with a confirmation by such director that there are no other material reasons other than those provided.**

No independent director resigned during the financial year 2020-21.

### 3. AUDIT COMMITTEE

#### (a) Brief description of terms of reference

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 audit committee reviews the compliance with legal and statutory requirements, the quarterly and annual financial statements 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 held during the financial year 2020-21.

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

- 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 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.

**(b) Composition of the Audit Committee**

The composition of the Audit Committee is in accordance with the provisions of Section 177 of the Companies Act, 2013 and the rules made there under and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Composition of Audit Committee as on the financial year ended March 31, 2021 was as follows.

S. No.	Name	Position	Category
1	Mr. G Chellakrishna	Chairman	Non-Executive-Independent Director
2	Mr. C Ramachandran, IAS (Rtd.,)	Member	Non-Executive-Non Independent Director
3	Mr. R Ganapathi	Member	Non-Executive-Independent Director
4	Mr. H KarthikSeshadri	Member	Non-Executive-Independent Director
5	Mr. K Kasim IPS (Retd)	Member	Non-Executive-Independent Director
6	Mr. N. Srivathsa Desikan	Member	Non-Executive-Non independent Director

**(c) Meeting and attendance of Audit Committee**

The dates of meeting held during the year under review:

The members of Audit Committee met 04 (Four) times during the financial year ended March 31, 2021 i.e., June 29, 2020, August 17, 2020, November 11, 2020 and February 10, 2021.

**The particulars of attendance by the members of the Committee during the year under review**

S. No.	Name	Position	Number of Meetings Held	Number of meetings attended
1	Mr. G.Chellakrishna	Chairman	4	4
2	Mr. C Ramachandran, IAS (Rtd.,)	Member	4	4
3	Mr. R. Ganapathi	Member	4	4
4	Mr. H. Karthik Seshadri	Member	4	4
5	Mr. N. Srivathsa Desikan	Member	4	4
6	Mr. K Kasim, IPS (Retd)	Member	4	4

The Company Secretary acts as the Secretary to the Committee. Mrs. E. Kamakshi, Chief Financial Officer was present at all the audit meetings held during the year. Mrs. Geetha Jeyakumar, Partner of M/s. MSKA & Associates, Statutory Auditors of the Company is regular invitee to the meetings. The Chairman of the Audit Committee was present at the Company's 29th Annual General Meeting held on September 28, 2020 to answer the shareholders' queries.

#### 4) NOMINATION AND REMUNERATION COMMITTEE

##### a) Brief description of terms of reference

The constitution of the committee is in compliance of Section 178 of the Companies Act, 2013, read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014 and Regulation 19 and Part D (Point A) of the Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The terms of reference of the committee are as follows:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees.
2. Formulation of criteria for evaluation of performance of independent directors and the Board of directors.
3. Devising a policy on diversity of board of directors.
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.

5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

**b) Composition of the Nomination and remuneration committee**

S. No	Name of Directors	Position	Category
1.	Mr. R. Ganapathi	Chairman	Non-Executive Independent Director
2.	Mr. C Ramachandran, IAS (Retd)	Member	Non-Executive Non Independent Director
3.	Mr. H KarthikSeshadri	Member	Non-Executive Independent Director

**c) Meetings and attendance details during the financial year**

**The dates of meeting held during the year under review**

The members of Nomination and remuneration committee met 01(One) time during the financial year ended March 31, 2021. i.e., November 11, 2020.

**The particulars of attendance by the members of the Committee during the year under review**

S. No	Name	Position	Number of Meetings held	Number of Meetings attended
1.	Mr. R. Ganapathi	Chairman	1	1
2.	Mr. C. Ramachandran, IAS (Retd)	Member	1	1
3.	Mr. H KarthikSeshadri	Member	1	1

**d) Performance evaluation criteria for independent directors**

The Nomination and Remuneration Committee has devised criteria for evaluation of the performance of the Directors including Independent Directors. Their criteria provide for certain parameters below.

- Attendance at Meetings - attendance at Board Meetings, General and Committee meetings;
- Other Directorships held by the Non-Executive Director in listed or unlisted companies;

- c. Other companies in which Non Executive Director is a Chairperson;
- d. Participation at Board/Committee meetings;
- e. Input in strategy decisions;
- f. Review of Financial Statements, risks and business performance;
- g. Time devoted towards discussion with Management;
- h. Review of Minutes - Board Minutes, Committee meeting minutes and AGM Minutes.

A separate exercise was carried out to evaluate the performance of individual directors including the Chairman of the Board and Managing Director, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its various stakeholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-independent Directors was carried out by the Independent Directors, the Directors expressed their satisfaction with the evaluation process.

## 5) STAKEHOLDERS RELATIONSHIP COMMITTEE

### Brief description and term of reference

Pursuant to Regulations 13 and 20 and Part-D of Schedule II of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 the Committee oversees and reviews the redressal of investors' grievances pertaining to transfer of shares and dematerialization, re-materialization, non-receipt of balance sheet, non-receipt of declared dividends, etc.

The Company is in compliance with the SCORES, which has been initiated by SEBI for processing the investor complaints in a centralized web based redressal system and online redressal of all the shareholders complaints.

### a) Composition of the Committee and attendance

S. No	Name of Directors	Position	Category
1.	Mr. C Ramachandran, IAS (Retd)	Chairman	Non-Executive Non-Independent Director
2.	Mr. R.Ganapathi	Member	Non-Executive Independent Director
3.	Mr. H. Karthik Seshadri	Member	Non-Executive Independent Director

### The date of meetings held during the year under review

The members of Stakeholders' Relationship Committee met 04 (Four) times during the financial year ended March 31, 2021. i.e., June 29, 2020, August 17, 2020, November 11, 2020 and February 10, 2021.

The particulars of attendance by the members of the Committee during the year under review:

S. No	Name	Position	Number of Meetings held	Number of Meetings attended
1.	Mr. C Ramachandran IAS (Retd)	Chairman	4	4
2.	Mr. R.Ganapathi	Member	4	4
3.	Mr. H. Karthik Seshadri	Member	4	4

The Chairman of the Committee was present at the Company's 29th Annual General Meeting held on September 28, 2020 to answer the shareholders' queries.

### b) Name and designation of Compliance Officer

Mr. Joswa Johnson was the Company Secretary and Compliance Officer (Key Managerial Personnel) of the Company till February 18, 2021.#

### Status of Shareholders complaints/grievances

The following is the status of Shareholders complaints during the financial year ended March 31, 2021.

S. No	Particulars	*Number of Complaints
1	Number of investor complaints pending at the beginning of the year	0
2	Number of investor complaints received during the year	0
3	Number of investor complaints disposed off during the year	0
4	Number of investor complaints remaining unresolved at the end of the year	0

\* Based on the quarterly investors grievance report submitted to the stock exchanges pursuant to Regulation 13 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 during the financial year ended March 31, 2021.

The requirement of constitution of a Risk Management Committee is not applicable to your company for the year ended 31.03.2021.

# The Company has appointed Ms. Divya Raj Gupta as the compliance officer of the Company w.e.f. June 25, 2021.



**6) REMUNERATION TO DIRECTORS****a) Pecuniary relationship or transaction of the Non-executive Directors vis-à-vis the Company**

There were no pecuniary relationships or transactions of the non - executive directors 'vis-à-vis the company during the Financial Year ended March 31, 2021 except payment of sitting fees as disclosed below.

**b) Criteria of making payments to non-executive directors**

The Company has created and laid down the criteria for making payments to the Non-Executive Directors as enumerated in the Nomination and Remuneration policy which can be accessed in website of the Company [www.elnettechnologies.com](http://www.elnettechnologies.com)

**c) Disclosure with respect to remuneration**

Disclosures with respect to remuneration paid during the financial year ended March 31, 2021 as per Companies Act, 2013:

**Remuneration to Non-executive Directors**

The details of remuneration (sitting fees) paid to non-executive directors during the financial year ended March 31, 2021 is given below:

<b>S. No</b>	<b>Name of the Non-Executive Directors</b>	<b>Sitting Fee paid (₹ In lakhs)</b>
1	Mr. D. Ravichandran, IAS (w.e.f. November 02, 2020)	0.21
2	Mr. C. Ramachandran, IAS, (Retd)	1.26
3	Mr. J. Ravi	0.70
4	Mr. N. Srivathsa Desikan	0.70
5	Mr. S. Kirubanadan (w.e.f. November 11, 2020)	0.21
6	Mr. R. Ganapathi	1.05
7	Mr. H. Karthik Seshadri	1.47
8	Mr. G. Senrayaperumal	0.28
9	Mr. K. Kasim, IPS (Retd)	0.63
10	Mr. G. Chellakrishna	0.84
11	Mr. A.P Radhakrishnan	0.42
12	Mr. M. Vijayakumar, IAS (upto November 02, 2020)	0.28
13	Mr. P. R Nithiyanandan (upto November 11, 2020)	0.07
	<b>TOTAL</b>	<b>8.12</b>

## Remuneration to Executive Directors

Mrs. Unnamalai Thiagarajan is the Managing Director of the Company. Total remuneration paid to Mrs. Unnamalai Thiagarajan, Managing Director, during the Financial Year 2020-21 was ₹14.00 lakhs. No other perquisites or other allowances were paid.

### Disclosures with respect to remuneration paid during the financial year ended March 31, 2021 as per SEBI (LODR) Regulations, 2015.

#### Details of service contracts, notice period, severance fees.

The appointment of directors was in accordance with the resolution passed by the Board of directors and subject to the approval of shareholders of the Company.

During the year ended March 31, 2021, none of the executive and non-executive directors were issued/granted employee stock options of the Company.

## OTHER COMMITTEES

### SHARE TRANSFER COMMITTEE

The Board constituted Share Transfer Committee 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 composition of the Committee:

S. No	Name of Directors	Position	Category
1.	Mr. J.Ravi	Member	Non-Executive Director
2.	Mr. H. KarthikSeshadri	Member	Non-Executive Independent Director
3.	Mr. C. Ramachandran, IAS (Retd)	Member	Non-Executive Director

#### The dates of meeting held during the year under review

The members of Share Transfer Committee met 4 (Four) times during the financial year ended March 31, 2021. i.e., July 28, 2020, August 26, 2020, December 02, 2020 and March 01, 2021.

#### The particulars of attendance by the members of the Committee during the year under review

## THIRTIETH ANNUAL REPORT 2020 - 21

S. No	Name	Position	No of Meetings Held	No of Meetings Attended
1.	Mr. J.Ravi	Member	4	4
2.	Mr. H. KarthikSeshadri	Member	4	4
3.	Mr. C. Ramachandran, IAS (Retd)	Member	4	4

The committee also reviews the performance of the Registrar and Share Transfer Agents. The meetings of Share Transfer Committee are held whenever the necessity arises. Transfer/ Transmission of shares, issuance of Duplicate Share certificate are processed and registered within the stipulated time subject to the availability of all required valid documents and completed in all respects.

### **PURCHASE COMMITTEE**

The Company has constituted the Purchase Committee on 25th October, 2006 under the directions of the Board. It is empowered to identify the qualified vendors for taking advantage of competitive pricing.

**The Composition of the Committee is given hereunder:**

S. No	Name of Directors	Position	Category
1.	Thiru. R. Ganapathi	Member	Non-Executive Independent Director
2.	Thiru. H. KarthikSeshadri	Member	Non-Executive Independent Director

During the financial year, there were no meeting held to transact the Business in purchase Committee.

### **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Company has constituted Corporate Social Responsibility Committee in accordance with Section 135 of the Companies Act, 2013 and the Committee has formulated a policy on Corporate Social Responsibility. The composition of the committee and attendance details of members is given below.

The members of Corporate Social Responsibility committee met 01 (One) time during the financial year ended March 31, 2021. i.e., March 25, 2021.

S. No	Name	Position	No of Meetings Held	No of Meetings Attended
1.	Mr. J. Ravi	Chairman	1	1
2.	Mr. N. Srivathsa Desikan	Member	1	1
3.	Mr. H. Karthik Seshadri	Member	1	1

Mr. T. Joswa Johnson, Company Secretary of the Company was the Secretary to the Committee till 18th February, 2021.

The terms of reference of CSR Committee, inter-alia, include the following:

1. Formulate and recommend to the Board, a CSR policy which indicates the activities to be undertaken by the Company as per schedule VII of the Companies Act, 2013;
2. Review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
3. Monitor the CSR policy of the Company from time to time;
4. Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

#### **MEETING OF INDEPENDENT DIRECTORS**

During the financial year ended March 31, 2021, the Independent Directors met once on February 10, 2021 without the presence of the Executive Directors and management personnel of the Company. Such meetings are conducted to enable Independent Directors to inter alia to discuss:

1. Evaluation of the performance of the Non Independent Directors and the Board of Directors as a Whole;
2. Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-executive Directors;
3. Evaluation of the quality, content and time lines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties;

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The directors were satisfied with the evaluations.

All the Independent Directors were present except Mr. R Ganapathi.

**7) GENERAL BODY MEETINGS**

Location and time where last three annual general meetings held:

<b>Location</b>	<b>Date</b>	<b>Time</b>	<b>Special resolutions passed at the Annual General Meetings (AGM)</b>
Video Conferencing/ Other Audio Visual Means (VC/OAVC)	September 28, 2020	12.30 P.M	No special resolution(s) was passed
New Woodlands Hotel Pvt. Ltd., Chennai.	August 09, 2019	11.00 A.M	<ol style="list-style-type: none"> <li>1. Re-appointment of Mr. G. Chellakrishna (DIN: 01036398) as Non-Executive Independent Director.</li> <li>2. Re-appointment of Mr. R. Ganapathi (DIN: 00103623) as Non-Executive Independent Director.</li> <li>3. Re-appointment of Mr. H Karthik Seshadri (DIN: 00203319) as Non-Executive Independent Director.</li> <li>4. Re-appointment of Mr. K Kasim IPS., (Retd.), (DIN:02959356) as Non-Executive Independent Director.</li> <li>5. Re-appointment of Mr. G. Senrayaperumal (DIN: 01458026) as Non-Executive Independent Director.</li> </ol>
New Woodlands Hotel Pvt. Ltd., Chennai.	August 09, 2018	11.00 A.M	No special resolution(s) was passed

There was no extra ordinary general meeting held during the last 3 years.

**POSTAL BALLOT****Special resolution passed during the previous year through postal ballot - details of voting pattern:**

The Company has not passed any ordinary / special Resolution during previous year ended March 31, 2021 through postal ballot and accordingly details pertaining to person who conducted the postal ballot exercise and procedure for postal ballot does not arise.

There is no imminent proposal for passing any special resolution through Postal Ballot on or before the ensuing Annual General Meeting.

## MEANS OF COMMUNICATION

### a) Quarterly results

The Company's quarterly financial results and the audited annual financial results are announced as per the requirements of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange. The aforesaid financial results are intimated to BSE Limited (BSE) where the Company's securities is listed, immediately after the approval of the Board of directors and are simultaneously displayed in Company's website [www.elnettechnologies.com](http://www.elnettechnologies.com)

### b) Newspapers wherein results normally published:

The Company's quarterly, half yearly and annual audited financial results are normally published in leading daily newspapers, viz. Business Standard (English-National daily newspaper) and Makkal Kural (vernacular newspaper-Tamil).

### c) Website

The quarterly & annual financial results of company are displayed in a separate section called Financial Reports under head of "Investor Information" in the website of the Company i.e, [www.elnettechnologies.com](http://www.elnettechnologies.com)

### d) Official New releases & other Communication

All other official news releases which are required to be disclosed pursuant to Regulation 46 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 are available on the website the Company [www.elnettechnologies.com](http://www.elnettechnologies.com) with separate categories.

### e) Presentations made to institutional investors or to the analysts

The Company has not made any Presentations to investors or to the analysts during the financial year ended March 31, 2021.

## 9. GENERAL SHAREHOLDER INFORMATION

### a) Annual General Meeting

<b>Date and time</b>	July 28, 2021 at 04.00 PM
<b>Mode / Venue</b>	Video Conferencing / Other Audio Visual Means
<b>Book Closure Date</b>	Thursday, July 22, 2021 to Wednesday, July 28, 2021 (both days inclusive)

### b) Financial year

The financial year of the Company is 1st April to 31st March.

**Calendar of financial year 2020-21**

The Company follows April-March as the financial year. The meetings of Board of Directors for approval of Quarterly / Half yearly / Annual financial results during the financial year ended March 31, 2021 were held on the following dates:

First Quarter Results	August 17, 2020
Second Quarter and Half yearly Results	November 11, 2020
Third Quarter Results	February 10, 2021
Fourth Quarter and Annual Results	June 23, 2021

**Tentative Calendar for financial year 2021-22**

The tentative dates of meeting of Board of Directors for consideration of quarterly / Half yearly / Annually financial results inter alia with other business of the Company for the financial year 2021-22 are as follows:

First Quarter Results	Not later than 15th September 2021
Second Quarter and Half yearly Results	Not later than 14th November 2021
Third Quarter Results	Not later than 14th February 2021
Fourth Quarter and Annual Results	Not later than 30th May 2021

**c) Dividend payment date**

**Payment of Dividend during the financial year 2020-21**

Date of declaration	September 28, 2020
Rate of dividend	12%
Book Closure Date	Tuesday, September 22, 2020 to Monday, September 28, 2020 (both days inclusive)
Date of payment of dividend	October 20, 2020
Amount of dividend paid	₹1.20/- per equity shares of face value ₹ 10 /- each

**Proposed Dividend for the financial year ended March 31, 2022.**

Date of declaration	July 28, 2021
Rate of dividend	14%

Book Closure Date	Thursday, July 22, 2021 to Wednesday, July 28, 2021 (both days inclusive)
Date of payment of dividend	The proposed dividend, if so approved, will be paid within the timeline with reference to the MCA circular dated May 5, 2020 from the date of declaration to the members whose name appears on the Register of Members at end of the day on July 21, 2021.
Amount of dividend to be paid	₹ 1.40 per share

**d) Details of Stock Exchange and payment of listing fee**

The equity securities of the company are listed in Bombay Stock Exchange (BSE Limited) and the listing fee for the financial year 2021-22 was paid on April 15, 2021.

**e) Stock Code**

BSE - 517477

**f) Market price data-high, low during each month in the previous financial year**

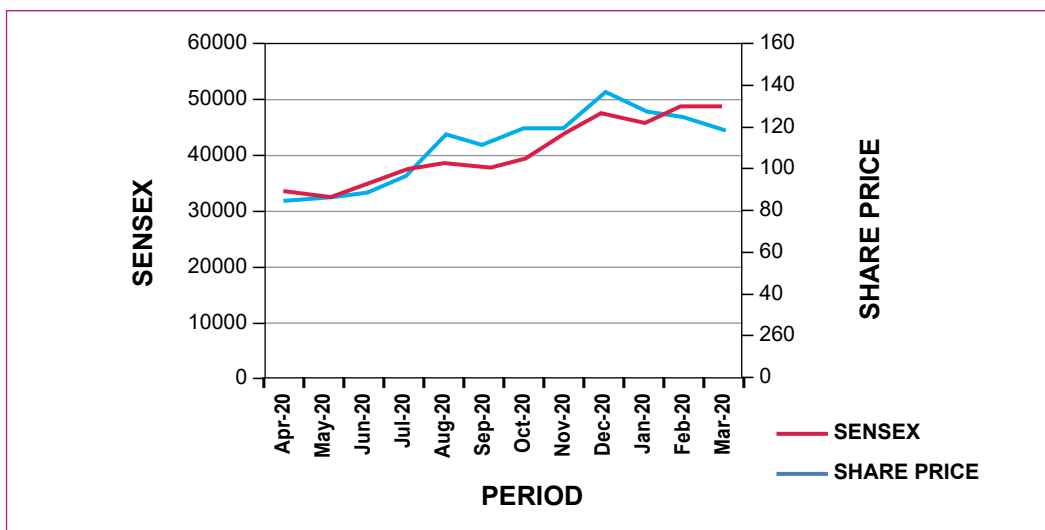
(Share Price in ₹)

MONTH	HIGH	LOW	VOLUME
Apr-20	95.00	72.00	33721
May-20	89.50	82.05	7994
Jun-20	93.00	81.50	51442
Jul-20	106.00	84.95	72783
Aug-20	152.00	94.10	365965
Sep-20	125.45	92.00	68133
Oct-20	134.95	110.60	81191
Nov-20	122.95	111.00	39465
Dec-20	143.00	115.05	137070
Jan-21	160.00	125.00	129970
Feb-21	139.80	116.00	47734
Mar-21	145.00	114.00	41139



**g) Performance in comparison to broad-based indices**

BSE- SENSEX



**h)** The securities of the Company has not suspended from trading during the financial year. Hence there is no explanation required to be provided in the Board's Report.

**i) Registers to issue and share transfer Agent**

Cameo Corporate Services Ltd  
 "Subramanian Building"  
 # 1, Club House Road, Chennai 600 002.  
 Phone: 044 - 2846 0390 (5 lines)  
 Fax: 044 - 2846 0129

**j) Share transfer system**

The majority of Company's equity shares i.e., 97% are in demat format as on March 31, 2021. These shares can be transferred through the depositories viz., i.e. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) without the Company's involvement.

The Board has delegated the powers to approve share transfers, transmissions, rematerialisation by constituting a Share Transfer Committee. During the financial year,

transfer of shares in physical form was processed within 15 days from the date of receipt of transfer request, provided the documents are complete in all respects. All transfers was first processed by the Transfer Agent and submitted thereafter to the Company for approval. The physical share transfer, transmissions processed based on number of requests received. The shares lodged for transfers processed and registered as per the requirements of the regulations.

Pursuant to Regulation 40(9) of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, the Company obtains certificates from the Practicing Company Secretaries on a half yearly basis to the effect that all the transfers are completed within the statutory stipulated period. A copy of the certificate so received is submitted to Stock Exchange where the shares of the company are listed.

The transactions of the shares held in Demat and Physical form are handled by the Company's Registrar and Share Transfer Agent "Cameo Corporate Services Ltd"

**k) Distribution of share holding as on March 31, 2021**

Range	Number of Shareholders	% of Total Shareholders	Shares	% of Total Share Capital
1-100	3830	70.26	225227	5.63
101-500	1231	22.58	327642	8.19
501-1000	191	3.50	150026	3.75
1001-2000	98	1.80	145936	3.65
2001-3000	33	0.61	78154	1.95
3001-4000	19	0.35	66107	1.65
4001-5000	11	0.20	52929	1.32
5001-10000	13	0.24	107232	2.68
Above 10000	25	0.46	2846654	71.17
<b>Total</b>	<b>5451</b>	<b>100.00</b>	<b>4000007</b>	<b>100.00</b>

**Shareholding Pattern as on March 31, 2021**

Category	No. of Shares	Percentage
<b>Promoters</b>		
Promoters	2113861	52.85
<b>Subtotal (A)</b>	<b>2113861</b>	<b>52.85</b>
NRIs/OCBs		
Foreign Company	0	0.00

Category	No. of Shares	Percentage
Foreign Nationals	0	0.00
Non Resident Indians	19878	0.49
Foreign Institutional Investors	0	0.00
Foreign Portfolio Investor	0	0.00
<b>Subtotal (B)</b>	<b>19878</b>	<b>0.49</b>
<b>Others</b>		
Clearing Members	4280	0.11
Private Corporate Bodies	32726	0.82
Mutual Funds	0	0.00
Financial Institutions (Bank)	0	0.00
Public	1666400	41.66
HUF	71058	1.78
IEPF	91804	2.30
<b>Subtotal (c)</b>	<b>1866268</b>	<b>46.67</b>
<b>Total (A+B+C)</b>	<b>4000007</b>	<b>100.00</b>

**i) Dematerialization of shares and liquidity**

Physical/ NSDL/ CDSL / Summary Report as on March 31, 2021, representing 97% of total Equity Share Capital of the Company were held in dematerialized form.

Mode of holding	As on March 31, 2021		As on 31st March, 2020	
	No. of Shares	% to Equity	No. of Shares	% to Equity
NSDL	29,52,163	74.00	30,38,872	75.97
CDSL	9,14,972	23.00	8,22,363	20.56
PHYSICAL	1,32,872	3.00	1,38,772	3.47
TOTAL	40,00,007	100.00	40,00,007	100.00

**m) Outstanding Debt/ GDRs/ ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity**

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments as on date.

**n) Commodity price risk or foreign exchange risk and hedging activities**

The Company does not have exposure to foreign exchanges requirements.

**o) Plant location**

Not Applicable

**p) Address for correspondence**

**Registered Office**

Elnet Software City,  
TS 140, Block No.2 & 9,  
Rajiv Gandhi Salai,  
Taramani,  
Chennai-600113.

**Contact details of Designated Official for assisting & handling Investor Grievances**

**Divya Raj Gupta**

Compliance Officer

Contact No. : 91 - 44 - 2254 1098 / 2254 1337 / 2254 1791

Fax No. : 91 - 44 - 2254 1955

E-mail: elnetcity@gmail.com

**List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad**

The company has not invested in any debt instruments or any fixed deposit programme or any scheme or proposal involving mobilization of funds whether in India or abroad. Hence the disclosure is not applicable.

**TRANSFERS TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

Pursuant to section 124 of the Companies Act, 2013 ("the Act") read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("The Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government, after completion of seven consecutive years from the date of transfer to unpaid dividend account. Further, according to the Rules, the shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall also be transferred to the demat account of IEPF Authority.

Transfer of Unpaid/ Unclaimed Dividend Amount/ Shares pertaining to the dividend declared financial year ended March 31, 2014 to Investor Education and Protection Fund (IEPF)

The due date for transfer of unpaid/unclaimed dividend amount and corresponding shares for the dividend declared during the financial year ended March 31, 2014 is August 20, 2021.

In compliance with the provision, during the financial year 2021-2022 the Company had sent individual notices to the eligible shareholders and advertised in the newspapers (Business standard - Leading English Newspaper All India edition and Makkal Kural - Regional language newspaper) seeking action from the shareholders who have not claimed their dividends for seven consecutive years or more for the dividend declared during the financial year ended March 31, 2014. Accordingly, after the expiry of due date for claiming the unpaid/ unclaimed dividend, the Company has transferred such unpaid or unclaimed dividends and also the corresponding shares for the Financial Year ended March 31, 2014 to IEPF authority.

Details of shares / shareholders in respect of which dividend has not been claimed, are provided on the website of the company [www.elnettechnologies.com](http://www.elnettechnologies.com). (Investors/Compliances/unpaid dividend data/year 2021). Members are requested to ensure that they claim the dividends and shares referred above, before they are transferred to the said Fund.

Members / claimants whose shares, and/or unclaimed dividend, have been transferred to the IEPF Demat Account or the Fund, as the case may be, may claim the shares or apply for refund of dividend by making an application to the IEPF Authority in Form IEPF-5 (available on <http://www.iepf.gov.in>) along with requisite fee as decided by the IEPF Authority from time to time. The Member/claimant can file only one consolidated claim in a Financial Year as per the IEPF Rules.

## 10. OTHER DISCLOSURES:

### a) **Disclosures on materially significant related party transactions that may have potential conflict with the interests of Company at large**

During the year, the Company had not entered into any transaction of a material nature with any of the related parties which may have potential conflict with the interest of the Company at large.

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. 39 of Notes on Accounts.

**b) Details of non-compliance by the listed entity, penalties, and strictures imposed on the listed entity by stock exchange or the board or any statutory authority, on any matter related to capital markets, during the last three years**

There have been no instances of non-compliances by the Company and no penalties and / or strictures have been imposed by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.

**c) Establishment of vigil mechanism / 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. The Vigil Mechanism Policy shall be viewed at our company's website: [www.elnettechnologies.com](http://www.elnettechnologies.com). All suspected violations and Reportable Matters can be reported to the Chairman of the Audit Committee at e-mail ID [elnetcity@gmail.com](mailto:elnetcity@gmail.com). The key directions/actions will be informed to the Managing Director of the Company.

**D) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements.**

The Company has fully complied with all the mandatory requirements and has adopted certain non-mandatory requirements as prescribed in Part-E of Schedule II to the Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**i) The Board**

The Company is having a non-executive chairperson and he is not claiming any reimbursement of expenses incurred in the performance of his duties.

**ii) Shareholders Rights**

Pursuant to regulations of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 as the company's quarterly/half yearly/annual financial results are published in an English newspaper having wide circulation all over India and in Tamil news paper widely circulated in Chennai, the company is not sending the same to the shareholders of the company individually. The same will be hosted in the company's website [www.elnettechnologies.com](http://www.elnettechnologies.com) within the stipulated time.

**iii) Modified opinion(s) in audit report.**

The financial statement of the company is having an unmodified audit opinion.

**iv) Separate posts of chairperson and chief executive officer**

The Company is having a Managing director as one of the Key Managerial Personnel. The appointment of Chief Executive Officer of the company does not arise.

**v) Reporting of internal auditor**

The Internal auditor is directly reporting to the audit committee covering the scope of internal audit regarding Revenue recognition, Taxation (Direct & Indirect tax), statutory payment, Cash & Bank, General ledger Review.

**e) Weblink where the policy for determining 'material' subsidiary is available**

The Company does not have any material subsidiary. Hence the necessity for complying with respect to framing a policy for determining the material subsidiary does not arise.

**f) Weblink where the Policy on dealing with related party transactions is available**

The Policy on dealing with related party transactions is available in our Company's website [www.elnettechnologies.com](http://www.elnettechnologies.com)

**g) Disclosure of commodity price risks and commodity hedging activities.**

Not applicable

**h) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).**

Not applicable

**i) Certificate from practicing company secretary regarding disqualification of Directors.**

A Company Secretary in practice has certified that none of Directors on the Board of Directors of the Company have been debarred or disqualified from being appointed or continuing as directors by the Board/ Ministry of Corporate affairs or any statutory authorities as on March 31, 2021.

The certificate is enclosed with this report as Annexure.

**j) Details of recommendations of Committees which were not accepted by the board along with reasons.**

The Audit Committee generally makes certain recommendations to the Board of Directors of the Company at their meetings held to consider any financial results (Unaudited and Audited) and such other matters placed before the Audit Committee as per the Companies

Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from time to time. During the year the Board of Directors has considered all the recommendations made by the Audit Committee and has accepted and carried on the recommendations suggested by the Committee to its satisfaction. Hence there are no recommendations unaccepted by the Board of Directors of the Company during the year.

**k) Total fees paid for all services on consolidated basis to statutory auditors and their network firms.**

During the year the company has paid ₹ 7,00,000 to statutory auditors as a consolidated pay for the services rendered. There was no payment to network entities in which the statutory auditors of the company is taking part.

**l) Disclosure in relation to the Sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013.**

The Company has Internal Complaints Committees as required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company firmly provides a safe, supportive and friendly workplace environment – a workplace where our values come to life through the underlying behaviours. Positive work place environment and a great employee experience are integral parts of our culture.

During the year under review, there were no cases filed pursuant to the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Details	Status
Number of complaints filed during the financial year	Nil
Number of complaints disposed of during the financial year	Nil
Number of complaints pending as on end of the financial year	Nil

**11. Non compliance of any requirement of S. No 2 to 10 of schedule V of Regulation 34 of SEBI (LODR) Regulations, 2015**

The Company has complied with all the requirement of corporate governance report which is mentioned in S. No 2 to 10 of schedule V of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

**12. The corporate governance report has disclosed the extent to which the discretionary requirements as specified in Part E of the Schedule II to the Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [Refer 10 (d)]**



13. The Company has complied with the corporate governance requirements as specified in Regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 of the Listing Regulations.

**Disclosures with respect to demat suspense account/unclaimed suspense account:**

Based on the shareholding pattern received from Registrar and Share transfer Agent for every quarter during the financial year as on March 31, 2021 there are no shares lying in the demat suspense account or unclaimed suspense account.

Declaration signed by the Managing Director stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management is disclosed below.

Compliance certificate from practicing company secretaries regarding compliance of conditions of corporate governance is annexed to this Report.

**CEO/CFO CERTIFICATION**

As required under Regulation 17 of the SEBI Listing Regulations, the CEO/CFO Certification on financial statements of the company for the financial year ended March 31, 2021 signed by Mrs. Unnamalai Thiagarajan, Managing Director and Mrs. E. Kamakshi, CFO was placed before the Board of Directors of the Company at their meeting held on Monday, June 23, 2021 and enclosed as annexure to this Annual Report.

**GREEN INITIATIVE IN CORPORATE GOVERNANCE**

Rule 11 of the Companies (Accounts) Rules, 2014, permits circulation of Annual Report to shareholders through electronic means to such of the members whose e-mail addresses are registered with NSDL or CDSL or the shareholders who have registered their E-mail ID with the Company to receive the documents in electronic form and physical copies to those shareholders whose e-mail IDs have not been either registered with the Company or with the depositories.

To support this green initiative of the Government, Members are requested to register their e-mail addresses, with the DPs, in case shares are held in dematerialized form and with the Share Transfer Agent, in case the shares are held in physical form and also intimate changes, if any, in their registered e-mail addresses to the Company / DPs, from time to time.

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

**Place:** Chennai  
**Date:** June 23, 2021

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

## **CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION**

[Under Regulation 17(8) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]

To

The Board of Directors

Elnet Technologies Limited

TS 140, Block No.2 & 9, Rajiv Gandhi Salai,

Taramani, Chennai – 600 113

We certify that

- A. We have reviewed the financial statements and cash flow statement for the year ended March 31, 2021 and that to the best of our knowledge and belief:
  1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2021 which is fraudulent, illegal or violative of the Company's code of conduct;
- C. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal controls, if any, of which we are aware of and the steps we have taken or propose to take to rectify these deficiencies;
- D. We have indicated to the Auditors and the Audit Committee -
  - 1) Significant changes in internal control over the financial reporting during the year ended March 31, 2021;
  - 2) Significant changes in accounting policies during year ended March 31, 2021 and that the same have been disclosed in the notes to the financial statements; and
  - 3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over the financial reporting.

**Unnamalai Thiagarajan**  
Managing Director

**E. Kamakshi**  
Chief Financial Officer

**Place :** Chennai

**Date :** June 23, 2021

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To.

The Members,  
ELNET TECHNOLOGIES LIMITED,  
TS 140 Block 2 & 9, CPT Road,  
Taramani, Chennai - 600 113.

We have examined the relevant Registers, Records, Forms, Returns and Disclosures received from the Directors of ELNET TECHNOLOGIES LIMITED having CIN L72300TN1990PLC019459 and having registered office at TS 140 Block 2 & 9, CPT Road, Taramani, Chennai - 600 113 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	NAME OF DIRECTOR	DIN	DATE OF APPOINTMENT IN COMPANY*
1	Mr. Ravi Janakiraman	00042953	30-09-2003
2	Mr. Chakkolath Ramachandran	00050893	08-08-2003
3	Mr. Ganapathi Ramachandran	00103623	08-08-2003
4	Mrs. Unnamalai Thiagarajan	00203154	08-08-2003
5	Mr. Karthik Seshadri Harikrishnan	00203319	08-08-2003

Sr. No.	NAME OF DIRECTOR	DIN	DATE OF APPOINTMENT IN COMPANY*
6	Mr. Gangadaran Chellakrishna	01036398	22-04-2014
7	Mr. Govindasamy Senrayaperumal	01458026	25-10-2006
8	Mr. Kadher Mohideen Kasim	02959356	27-01-2010
9	Mr. Ammoor Periyar Radhakrishnan	03642690	02-03-2019
10	Mr. Srivathsa Desikan	08205725	09-08-2018
11	Mr. Duraisamy Ravichandran	08644903	02-11-2020
12	Mr. Kirubanandhan	08952166	11-11-2020

\*The date of appointment is as per the MCA Portal.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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.

For **BP & Associates**  
Company Secretaries

**C. Prabhakar**  
Partner

M No: 30433

CP No: 11033

UDIN: A030433C000501431

**Date:** 23rd June, 2021

**Place:** Chennai

**ANNEXURE - VI**  
**Certificate on Compliance under SEBI (Listing Obligations  
and Disclosure Requirements) Regulations, 2015**

To  
The Members,  
ELNET TECHNOLOGIES LIMITED,  
TS 140 Block 2 & 9, CPT Road,  
Taramani, Chennai - 600 113.

We have examined the compliance of conditions of Corporate Governance by Elnet Technologies Limited (“the Company”) for the year ended 31st March, 2021, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”).

We state that the compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to a review of the procedures adopted and implementation thereof, by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic. We certify that the company has complied with the conditions of Corporate Governance as stipulated in the aforesaid provisions of the Listing Regulations.

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.

For **BP & Associates**  
Company Secretaries

**C. Prabhakar**  
Partner

M No: 30433

CP No: 11033

UDIN: A030433C000505248

**Date:** 23rd June, 2021

**Place:** Chennai

## **DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT WITH THE COMPANY'S CODE OF CONDUCT**

To,  
The Shareholders of Elnet Technologies Limited  
TS 140 Block 2 & 9, CPT Road,  
Taramani, Chennai - 600 113.

This is to confirm that the Board has laid down a code of conduct for all Board members and Senior Management of the Company. The code of conduct has also been posted on the website of the Company.

It is further confirmed that all Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the year ended March 31, 2021.

**Place:** Chennai  
**Date:** June 23, 2021

**Unnamalai Thiagarajan**  
Managing Director  
DIN: 00203154

## **INDEPENDENT AUDITOR'S REPORT**

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

#### **Report on the Audit of the Financial Statements**

##### **Opinion**

We have audited the financial statements of Elnet Technologies Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the statement of Profit and Loss, statement of changes in equity and statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and profit, changes in equity and its cash flows for the year ended on that date.

##### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Emphasis of Matter**

We draw attention to Note 42 to the financial statements which states that the management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2021 and has concluded that no there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements.

Our opinion is not modified in respect of this matter.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Recognition, Valuation and Presentation of provision and contingent liabilities:

**Refer Note 35 to financial statement for the year ended 31st March 2021 for the following:**

- a) The claims made by Electronics Corporation of Tamilnadu Limited (ELCOT) against the Company towards interest on delayed payments of lease rent relating to the years 2009-10 and 2017-18, have been disclosed as Contingent Liability by the Company which amounts to Rs 1,071 Lakhs.
- b) The company has received a service tax demand from Additional Commissioner of GST and Central Excise for Rs. 136.59 Lakhs on considering reimbursement of electricity charges as taxable charges for period October 2015 to June 2017.

Since there is potential exposure to the Company, on the above contingent liabilities, the assessment of the probability of occurrence, outflow, if any, and adequate disclosure requirements involves significant judgement by the management.

Due to the level of judgement relating to recognition, valuation and presentation of provision and contingent liabilities, this is considered to be a key audit matter.

### How the Key Audit Matter was addressed in our audit

Our audit procedure in respect of this area included:

- Reviewed the process and control followed by the Company for identification and monitoring of significant developments in relation to the litigations, including completeness thereof.
- Reviewed the process of valuation implemented by the management for the said claims through discussion with legal and finance departments of the Company and discussed the status of ongoing and potential legal matters.
- Evaluated the management's assessment about the outcome of the dispute.
- Reviewed the legal opinion obtained, third party correspondence and reports with respect to the matters.
- Assessed the reasonableness of management's judgement w.r.t to likelihood of outflow.
- Assessed the adequacy of the disclosures made in the notes to financial statement.



### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management report, Chairman's statement, Director's report etc but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Financial Statements.

### **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 "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - (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 the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure C”.
- (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 35 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
- 3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For **MSKA & Associates**

Chartered Accountants

ICAI Firm Registration No. 105047W

**Geetha Jeyakumar**

Partner

Membership No. 029409

UDIN: 21029409AAAAFB1040

Place: Chennai

Date: June 23, 2021

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ELNET TECHNOLOGIES LIMITED

### Auditor's Responsibilities for the Audit of the Financial Statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all

relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For **MSKA & Associates**

Chartered Accountants

ICAI Firm Registration No. 105047W

**Geetha Jeyakumar**

Partner

Membership No. 029409

UDIN: 21029409AAAAFB1040

Place: Chennai

Date: June 23, 2021

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**ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF  
EVEN DATE ON THE FINANCIAL STATEMENTS OF ELNET  
TECHNOLOGIES LIMITED FOR THE YEAR ENDED MARCH 31, 2021**

[Referred to in paragraph 1 under 'Report on Other Legal and  
Regulatory Requirements' in the Independent Auditors' Report]

- i. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets (Property, Plant and Equipment).
- (b) All the fixed assets (Property, Plant and Equipment) have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our 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 involved in the business of rendering services. Accordingly, the provisions stated in paragraph 3(ii) of the Order are not applicable to the Company.

- iii. The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions stated in paragraph 3 (iii) (a) to (c) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.
- vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, cess and any other statutory dues applicable to it.  
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.  
(c) According to the information and explanation given to us and the records of the Company examined by us, there are no dues of income tax, goods and service tax, cess and any other statutory dues which have not been deposited on account of any dispute.
- viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions stated in paragraph 3 (ix) of the Order are not applicable to the Company.
- x. During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and

according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees.

- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid or provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (xiv) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions stated in paragraph 3(xv) of the Order are 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 and accordingly, the provisions stated in paragraph clause 3 (xvi) of the Order are not applicable to the Company.

For **MSKA & Associates**

Chartered Accountants

ICAI Firm Registration No. 105047W

**Geetha Jeyakumar**

Partner

Membership No. 029409

UDIN: 21029409AAAAFB1040

Place: Chennai

Date: June 23, 2021

## **ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ELNET TECHNOLOGIES LIMITED**

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

### **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 with reference to financial statements of Elnet Technologies Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the 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 with reference to financial statements 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) (the "Guidance Note"). 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 Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with 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. 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 internal financial controls with reference to financial statements 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 internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 judgement, including the assessment of the risks of material misstatement of the 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 with reference to financial statements.

### **Meaning of Internal Financial Controls With Reference to Financial Statements**

A Company's internal financial control with reference to financial statements 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 with reference to financial statements 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 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 With Reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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, internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **MSKA & Associates**

Chartered Accountants

ICAI Firm Registration No. 105047W

**Geetha Jeyakumar**

Partner

Membership No. 029409

UDIN: 21029409AAAAFB1040

Place: Chennai

Date: June 23, 2021

# **FINANCIAL STATEMENTS 2020-21**

## THIRTIETH ANNUAL REPORT 2020 - 21

### Balance Sheet as at March 31, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Notes	As at	
		March 31, 2021	March 31, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	2,447.51	2,688.54
Capital work in progress	5	30.31	-
Financial assets			
Investments	6	312.82	311.30
Other financial assets	7	2,109.81	4,492.00
Income Tax Assets (net)	8	53.51	75.82
Deferred tax asset (net)	19	9.91	7.26
Other Non Current Assets	9	66.43	17.20
<b>Total non-current assets</b>		<b>5,030.30</b>	<b>7,592.12</b>
<b>Current Assets</b>			
Financial Assets			
Trade receivables	10	308.68	190.67
Cash and cash equivalents	11	380.75	702.38
Bank balances other than above	12	5,378.10	1,842.53
Other financial assets	13	386.42	145.64
Other current assets	14	116.62	65.11
<b>Total current assets</b>		<b>6,570.57</b>	<b>2,946.33</b>
<b>Total Assets</b>		<b>11,600.87</b>	<b>10,538.45</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	15	400.00	400.00
Other equity	16	9,285.09	8,134.49
<b>Total equity</b>		<b>9,685.09</b>	<b>8,534.49</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
Financial Liabilities			
Other Financial Liabilities	17	1,020.47	1,048.19
Provisions	18	2.97	8.37
<b>Total non-current liabilities</b>		<b>1,023.44</b>	<b>1,056.56</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	20	426.34	426.34
Trade payables	21		
Total outstanding dues of micro enterprises and small enterprises		3.03	6.25
Total outstanding dues of creditors other than micro enterprises and small enterprises		40.46	19.90
Other financial liabilities	22	378.19	446.11
Provisions	23	0.40	0.94
Other current liabilities	24	43.92	47.85
<b>Total current liabilities</b>		<b>892.34</b>	<b>947.40</b>
<b>Total Liabilities</b>		<b>1,915.78</b>	<b>2,003.96</b>
<b>Total Equity and Liabilities</b>		<b>11,600.87</b>	<b>10,538.45</b>

The accompanying notes form an integral part of the financial statements  
For and on Behalf of the Board

Ajay Yadav, IAS.,  
Chairman

DIN:07785020

E. Kamakshi

Chief Financial Officer

Place : Chennai

Date : 23rd June 2021

Unnamalai Thiagarajan  
Managing Director

DIN:00203154

G. Chellakrishna  
Director

DIN:01036398

As per our Report of even date

For MSKA & Associates

Chartered Accountants

ICAI Firm Registration No : 105047W

Geetha Jeyakumar

Partner

Membership No: 029409

## Statement of profit and loss for the year ended March 31, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars		Notes	As at March 31, 2021	As at March 31, 2020
<b>A</b>	<b>Income</b>			
	Revenue from operations	25	2,135.84	2,403.69
	Other income	26	503.77	508.14
	<b>Total income</b>		<b>2,639.61</b>	<b>2,911.83</b>
<b>B</b>	<b>Expenses</b>			
	Employee benefits expense	27	122.41	117.83
	Depreciation and amortisation expense	28	351.31	387.73
	Other expenses	29	463.76	852.52
	Finance costs	30	71.51	86.64
	<b>Total expenses</b>		<b>1,008.99</b>	<b>1,444.72</b>
<b>C</b>	<b>Profit before tax</b>		<b>1,630.62</b>	<b>1,467.11</b>
	Income tax expense	31		
	Current tax		434.55	411.10
	Deferred tax		(2.62)	(28.92)
<b>D</b>	<b>Profit for the year</b>		<b>1,198.69</b>	<b>1,084.93</b>
<b>E</b>	<b>Other comprehensive income</b>			
	Items that will not be reclassified to profit or loss			
	Remeasurement of post employment benefit obligations		(1.64)	0.79
	Effect of measuring investments at fair value		1.52	1.21
	Income tax relating to these items		0.03	(1.26)
	<b>Other comprehensive income/(expense) for the year, net of tax</b>		<b>(0.09)</b>	<b>0.74</b>
<b>F</b>	<b>Total comprehensive income for the year</b>		<b>1,198.60</b>	<b>1,085.67</b>
	<b>Earnings per share</b>	32		
	Basic earnings per share		29.97	27.12
	Diluted earnings per share		29.97	27.12

The accompanying notes form an integral part of the financial statements

### For and on Behalf of the Board

**Ajay Yadav, IAS.,**  
Chairman  
DIN:07785020

**Unnamalai Thiagarajan**  
Managing Director  
DIN:00203154

**G. Chellakrishna**  
Director  
DIN:01036398

**E. Kamakshi**  
Chief Financial Officer  
Place : Chennai  
Date : 23rd June 2021

As per our Report of even date  
For **MSKA & Associates**  
Chartered Accountants  
ICAI Firm Registration No : 105047W  
**Geetha Jeyakumar**  
Partner  
Membership No: 029409

## THIRTIETH ANNUAL REPORT 2020 - 21

### Statement of Changes in Equity for the year ended March 31, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

<b>(A) Equity Share Capital</b>	
Balance at the end of March 31, 2019	400.00
Changes in equity share capital during the year	-
Balance at the end of March 31, 2020	400.00
Changes in equity share capital during the year	-
Balance at the end of March 31, 2021	400.00

### **(B) Other Equity**

Particulars	Reserves and Surplus			Items of Other Comprehensive Income		Total
	General Reserve	Retained earnings	Other Reserves - Capital Subsidy	Remeasurement of defined benefit plans	Effect of measuring investments at fair value	
<b>Balance as at March 31, 2019</b>	<b>2,912.21</b>	<b>4,174.62</b>	<b>25.75</b>	<b>3.09</b>	<b>5.48</b>	<b>7,121.15</b>
Profit for the year	-	1,084.93	-	-	-	1,084.93
Other comprehensive Income	-	-	-	0.60	0.14	0.74
Payment of dividend	-	(72.33)	-	-	-	(72.33)
<b>Balance as at March 31, 2020</b>	<b>2,912.21</b>	<b>5,187.22</b>	<b>25.75</b>	<b>3.69</b>	<b>5.62</b>	<b>8,134.49</b>
Profit for the year	-	1,198.69	-	-	-	1,198.69
Other comprehensive Income	-	-	-	(1.23)	1.14	(0.09)
Payment of dividend	-	(48.00)	-	-	-	(48.00)
<b>Balance as at March 31, 2021</b>	<b>2,912.21</b>	<b>6,337.91</b>	<b>25.75</b>	<b>2.46</b>	<b>6.76</b>	<b>9,285.09</b>

The accompanying notes form an integral part of the financial statements.

#### For and on Behalf of the Board

**Ajay Yadav, IAS.,**

Chairman

DIN:07785020

**E. Kamakshi**

Chief Financial Officer

Place : Chennai

Date : 23rd June 2021

**Unnamalai Thiagarajan**

Managing Director

DIN:00203154

**G. Chellakrishna**

Director

DIN:01036398

As per our Report of even date

For **MSKA & Associates**

Chartered Accountants

ICAI Firm Registration No : 105047W

**Geetha Jeyakumar**

Partner

Membership No: 029409

## Statement of cash flows for the year ended March 31, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Cash Flow From Operating Activities</b>		
Profit before tax	1,630.62	1,467.11
Adjustments for		
Depreciation and amortisation expense	351.31	387.73
Profit on sale of fixed asset	-	(0.96)
Income on redemption of investment	-	(8.31)
Provision for Employee Benefits	(7.58)	2.60
Interest Income	(496.98)	(496.68)
Finance costs	71.51	86.64
	<b>1,548.88</b>	<b>1,438.13</b>
Change in working capital		
(Increase)/ decrease in Other non-current financial assets	2,382.19	(3,277.67)
(Increase)/ decrease in trade receivables	(118.01)	17.89
(Increase)/ decrease in Other current assets	(100.74)	(0.81)
Increase/ (decrease) in provisions and other liabilities	(110.14)	63.96
Increase/ (decrease) in trade payables	17.34	5.40
Cash generated from / (used in) operations	3,619.52	(1,753.10)
Less : Income taxes paid (net of refunds)	(412.24)	(412.68)
<b>Net cash from / (used in) operating activities (A)</b>	<b>3,207.28</b>	<b>(2,165.78)</b>
<b>Cash Flows From Investing Activities</b>		
Acquisition of property plant and equipment and Capital work-in-progress	(140.60)	(455.71)
Proceeds on redemption of investments	-	501.36
Proceeds from disposal of Property, plant and equipment and Capital work-in-progress	-	1.75
(Investments in) / Maturity fixed deposits with banks more than 3 months	(3,535.57)	2,375.60
Interest Received	195.26	362.16
<b>Net cash (used in) / from investing activities (B)</b>	<b>(3,480.91)</b>	<b>2,785.16</b>
<b>Cash Flows From Financing Activities</b>		
Dividend paid	(48.00)	(60.00)
Tax on dividend	-	(12.33)
<b>Net cash used in financing activities (C)</b>	<b>(48.00)</b>	<b>(72.33)</b>
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>(321.63)</b>	<b>547.05</b>
Cash and cash equivalents at the beginning of the financial year	702.38	155.33
<b>Cash and cash equivalents at end of the year</b>	<b>380.75</b>	<b>702.38</b>
<b>Notes:</b> 1. The above cash flow statement has been prepared under indirect method prescribed in Ind AS 7 "Cash Flow Statements".		
2. Components of cash and cash equivalents		
Balances with banks		
- In current accounts	159.94	351.66
- In Deposit Account (maturing within 3 months)	220.00	350.00
Cash on hand	0.81	0.72
	<b>380.75</b>	<b>702.38</b>

### For and on Behalf of the Board

**Ajay Yadav, IAS.,**

Chairman

DIN:07785020

**E. Kamakshi**

Chief Financial Officer

Place : Chennai

Date : 23rd June 2021

**Unnamalai Thiagarajan**

Managing Director

DIN:00203154

**G. Chellakrishna**

Director

DIN:01036398

As per our Report of even date

For **MSKA & Associates**

Chartered Accountants

ICAI Firm Registration No : 105047W

**Geetha Jeyakumar**

Partner

Membership No: 029409

## Notes to Financial Statements for the year ended March 31, 2021

### 1 Corporate 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 Information Technology and Information technology enabled services industry companies.

### 2 Basis of preparation of financial statements

#### Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the 2013 Act read with the Companies (Indian Accounting Standards) Rules 2015 and other relevant provisions of the 2013 Act.

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.

#### Basis of preparation and presentation

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- a) Derivative financial instruments
- b) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

#### Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

#### Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest lakhs (up to two decimals).

The financial statements are approved for issue by the Company's Board of Directors on June 29, 2020.

## 2.1 Critical accounting estimates and management judgements

The management believes that the estimates used in the preparation of financial statements are prudent and reasonable.

Information about significant areas of estimation, uncertainty and critical judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

### Property, Plant and Equipment (PPE)

The residual values and estimated useful life of PPE are assessed by the technical team at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement and maintenance support. Upon review, the management accepts the assigned useful life and residual value for computation of depreciation/amortisation. Also, management judgement is exercised for classifying the asset as investment properties or vice versa.

### Current tax

Calculations of income taxes for the current period are done based on applicable tax laws and management's judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

### Deferred Tax Assets

Significant management judgement is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained / recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

### Fair value

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.



### **Impairment of Trade Receivables**

The impairment for trade receivables are done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward looking estimates at the end of each reporting date.

### **Impairment of Non-financial assets (Property, Plant and Equipment)**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budgets. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Company.

### **Defined Benefit Plans and Other long term benefits**

The cost of the defined benefit plan and other long term benefits, and the present value of such obligation are determined by the independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual developments in future. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

## **3 Significant Accounting Policies**

### **a) Current versus non-current classification**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set-out in the Act. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.

### **b) Fair value measurement**

The Company has applied the fair value measurement wherever necessitated at each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i) In the principal market for the asset or liability;
- ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non - financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and the best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

**Level 1:** Quoted (unadjusted) market prices in active market for identical assets or liabilities;

**Level 2:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

**Level 3:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company has designated the respective team leads to determine the policies and procedures for both recurring and non - recurring fair value measurement. External valuers are involved, wherever necessary with the approval of Company's board of directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

For the purpose of fair value disclosure, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risk of the asset or liability and the level of the fair value hierarchy as explained above. The component wise fair value measurement is disclosed in the relevant notes.

### **c) Revenue Recognition**

#### **Sale of services**

Income from sale of services, which comprise of providing complete infrastructure services required to run, maintain, manage and administer software technology park housing sophisticated modules with infrastructure facilities required for Information Technology / Information technology enabled service industry, is recognised when the services are rendered as per the terms of the agreement and when no significant uncertainty as to its determination or realisation exists. The modules are provided with complete facilities like air conditioning, uninterrupted power supply, generators etc. internet connectivity to offer seamless end to end infrastructure facility required by an Information Technology / Information technology enabled service industry Company to run its business. Elnet has also set up a permanent establishment to maintain these facilities for its customers to ensure uninterrupted business activities.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

#### **Interest Income**

Interest income is recorded using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

### **Power Generation**

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

### **Dividend income**

Dividend income is recognized when the company's right to receive dividend is established by the reporting date, which is generally when shareholders approve the dividend.

### **d) Property, plant and equipment and capital work in progress**

Property, plant and equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs of a qualifying asset, if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Advances paid towards the acquisition of tangible assets outstanding at each balance sheet date, are disclosed as capital advances under other non-current assets and the cost of the tangible assets not ready for their intended use before such date, are disclosed as capital work in progress.

### **Derecognition**

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

### **e) Depreciation on property, plant and equipment**

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life on a straight line method. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost. Residual value for all assets is considered as NIL.

Depreciation is provided on straight line method, over the useful lives specified in Schedule II to the Companies Act, 2013 except for the following items, where useful life estimated on technical assessment, past trends and differ from those provided in Schedule II of the Companies Act, 2013.

<b>Assets Category</b>	<b>Estimated useful life (in years)</b>
Fit outs	4.00
Furniture and Fixtures	4.00
Multi Level Car Park	13.50
Office Equipments	4.00
Vehicle - Car	4.00

Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion/disposals, the depreciation is calculated on pro-rata basis up to the date on which such assets have been discarded/sold. Additions to fixed assets, costing 5000 each or less are fully depreciated retaining its residual value.

The residual values, estimated useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

## **f) Financial Instruments**

### **Financial assets**

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

### **Initial recognition and measurement**

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below:

### **Non-derivative financial assets**

#### **Subsequent measurement**

#### **Financial assets carried at amortised cost**

A financial asset is measured at the amortised cost, if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that

are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

For purposes of subsequent measurement, financial assets are classified on the basis of their contractual cash flow characteristics and the entity's business model of managing them.

### **Investments in equity instruments of subsidiaries, joint ventures and associates**

Investments in equity instruments of subsidiaries, joint ventures and associates are accounted for at cost in accordance with Ind AS 27 Separate Financial Statements.

### **Investments in other equity instruments**

Investments in equity instruments which are held for trading are classified as at fair value through profit or loss (FVTPL). For all other equity instruments, the Company makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same either as at fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL). Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. However, the Company transfers the cumulative gain or loss within equity. Dividends on such investments are recognized in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

### **Derecognition of financial assets**

A financial asset is primarily de-recognized when the contractual rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

### **Financial liabilities**

#### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL and as at amortised cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and unsecured loans.

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

The measurement of financial liabilities depends on their classification, as described below:

#### **Derecognition of financial liabilities**

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

#### **Derivative financial instruments**

The Company does not hold any derivative financial instruments such as foreign exchange forward and options contracts.

#### **Reclassification of financial assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

#### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## **Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

### **g) Foreign currency transactions and translations**

#### **Transactions and balances**

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. However, for practical reasons, the Company uses an average rate, if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

### **h) Taxes**

#### **Current income tax**

Tax expense recognized in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.



Minimum alternate tax ('MAT') credit entitlement is recognized as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

Deferred tax is recognized in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealised tax loss are recognized to the extent that it is probable that the underlying tax loss will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside statement of profit and loss is recognized outside statement of profit or loss (either in other comprehensive income or in equity).

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

**i) Retirement and other employee benefits**

**Short-term employee benefits**

A liability is recognised for short-term employee benefit in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

### **Defined contribution plans**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund and super annuation fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

### **Defined benefit plans**

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

### **Compensated absences**

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

### **Other long term employee benefits**

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by the employees up to the reporting date.

**j) Leases**

**The Company as a Lessor**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. Fit-out rental income is recognised in the statement of profit and loss on accrual basis. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

**The Company as a lessee**

The Company's lease asset classes primarily consist of leases for Land. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

"At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows."

**k) Impairment of non financial assets**

The Company assesses at each year end whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash in flows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit")."

## **I) Provisions, contingent liabilities and contingent asset**

### **Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are discounted, if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Necessary provision for doubtful debts, claims, etc., are made if realisation of money is doubtful in the judgement of the management.

### **Contingent liability**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Contingent liabilities are disclosed separately.

Show cause notices issued by various Government authorities are considered for evaluation of contingent liabilities only when converted into demand.

### **Contingent assets**

Where an inflow of economic benefits is probable, the Company discloses a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect. Contingent assets are disclosed but not recognised in the financial statements.

### **m) Cash and cash equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash, which are subject to insignificant risk of changes in value.

### **n) Cash Flow Statement**

Cash flows are presented using indirect method, whereby profit / (loss) before 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.

Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents for the purpose of Cash flow statement.

### **o) Earnings per share**

The basic earnings per share are computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

## **3.1 Standards (including amendments) issued but not yet effective**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021

#### 4 Property, plant and equipment

All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Tangible Assets													Total
	Land	Buildings	Plant and Machinery	Electrical Fittings	Furniture & Fixture	Fit outs	Computers	Air Condi- tioners	UPS	Others	Photo copier Machine	Multi level Car Park	Vehicles	
<b>Cost as at March 31, 2019</b>	<b>23.49</b>	<b>1,699.88</b>	<b>138.17</b>	<b>291.81</b>	<b>73.12</b>	<b>761.12</b>	<b>7.20</b>	<b>89.85</b>	<b>54.96</b>	<b>15.68</b>	<b>0.96</b>	<b>82.66</b>	<b>65.20</b>	<b>3,304.10</b>
Additions	-	379.78	-	-	0.91	115.42	1.79	4.27	-	-	-	12.33	-	514.50
Disposals	-	-	-	-	(1.26)	(0.74)	-	-	-	-	-	-	-	(2.00)
<b>Cost as at March 31, 2020</b>	<b>23.49</b>	<b>2,079.66</b>	<b>138.17</b>	<b>291.81</b>	<b>72.77</b>	<b>875.80</b>	<b>8.99</b>	<b>94.12</b>	<b>54.96</b>	<b>15.68</b>	<b>0.96</b>	<b>94.99</b>	<b>65.20</b>	<b>3,816.60</b>
Additions	-	85.04	-	4.91	-	15.90	2.80	0.87	-	0.58	-	-	0.19	110.29
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Cost as at March 31, 2021</b>	<b>23.49</b>	<b>2,164.70</b>	<b>138.17</b>	<b>296.72</b>	<b>72.77</b>	<b>891.70</b>	<b>11.79</b>	<b>94.99</b>	<b>54.96</b>	<b>16.26</b>	<b>0.96</b>	<b>94.99</b>	<b>65.39</b>	<b>3,926.89</b>
<b>Depreciation / Amortisation</b>														
<b>As at March 31, 2019</b>	-	<b>160.64</b>	<b>90.59</b>	<b>90.81</b>	<b>68.86</b>	<b>146.35</b>	<b>2.45</b>	<b>40.88</b>	<b>42.50</b>	<b>9.40</b>	<b>(0.43)</b>	<b>45.30</b>	<b>44.23</b>	<b>741.55</b>
Charge for the year	-	57.20	30.08	33.08	1.82	202.92	2.09	16.60	12.46	3.12	0.59	15.73	12.03	387.73
Ind AS Adjustments	-	-	-	-	(1.26)	0.05	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	(1.21)
<b>As at March 31, 2020</b>	-	<b>217.84</b>	<b>120.67</b>	<b>123.89</b>	<b>69.42</b>	<b>349.32</b>	<b>4.54</b>	<b>57.48</b>	<b>54.96</b>	<b>12.52</b>	<b>0.16</b>	<b>61.03</b>	<b>56.26</b>	<b>1,128.07</b>
Charge for the year	-	60.61	14.37	32.64	1.52	205.34	3.20	10.34	-	1.79	0.41	16.01	5.08	351.31
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2021</b>	-	<b>278.45</b>	<b>135.04</b>	<b>156.53</b>	<b>70.94</b>	<b>554.66</b>	<b>7.74</b>	<b>67.82</b>	<b>54.96</b>	<b>14.31</b>	<b>0.57</b>	<b>77.04</b>	<b>61.34</b>	<b>1,479.38</b>
<b>Net Block</b>														
As at March 31, 2019	23.49	1,539.24	47.58	201.00	4.26	614.77	4.75	48.97	12.46	6.28	1.39	37.36	20.97	2,562.52
As at March 31, 2020	23.49	1,861.83	17.50	167.92	3.35	526.48	4.45	36.64	(0.00)	3.16	0.80	33.95	8.94	2,688.54
<b>As at March 31, 2021</b>	<b>23.49</b>	<b>1,886.26</b>	<b>3.13</b>	<b>140.19</b>	<b>1.83</b>	<b>337.04</b>	<b>4.05</b>	<b>27.17</b>	<b>(0.00)</b>	<b>1.95</b>	<b>0.39</b>	<b>17.94</b>	<b>4.05</b>	<b>2,447.51</b>

#### a Note:

##### IND AS 116 - Right to use assets:

Effective April 1, 2019, the Company adopted IND AS 116 "Leases" and applied the standard to the lease contract existing on April 1, 2019 using the modified retrospective method. Under this method, the right-of-use of assets equal to the lease liability and lease liability is measured at the present value of the lease payments discounted at the incremental borrowing rate at the date of initial application.

The company has a lease arrangement for land for a period of 90 year at a lease rental of ₹1/- per year. Transition of the new standard resulted in recognition of Right-of-Use asset (ROU) and lease liability for ₹1/-, respectively. The effect of the same on the profits and earnings per share for the year ended March 31, 2021 is ₹ Nil.

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(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>5 Capital Work in Progress</b>		
Capital work in progress	30.31	-
	<b>30.31</b>	<b>-</b>
<b>6 Non-current assets - Financial Assets: Investments</b>		
Investments in Equity shares in Others FVTOCI		
<b>Trade Unquoted</b>		
3,025,300 Equity Shares (As at March 31, 2020 3,025,300) of ₹10/- each fully paid up in IG3 Infra Ltd (Formerly known as Indian Green Grid Group Ltd)	312.82	311.3
	<b>312.82</b>	<b>311.30</b>
<b>Total non-current investments</b>		
Aggregate amount of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate cost of unquoted investments	302.53	302.53
Aggregate amount of impairment in value of investments	-	-
<b>7 Other non-current financial assets</b>		
(Unsecured, considered good)		
Land Lease Deposit	8.07	7.50
Security deposit with electricity and other departments	72.47	61.76
Loans to staff	-	1.23
Lease Prepayments	829.27	841.51
Bank Deposits with more than 12 months maturity	1,200.00	3,580.00
	<b>2,109.81</b>	<b>4,492.00</b>
<b>8 Income Tax Assets (Net)</b>		
(Unsecured, considered good)		
Advance Income Tax (net of provisions)	53.51	75.82
	<b>53.51</b>	<b>75.82</b>
<b>9 Other Non Current Assets</b>		
(Unsecured, considered good)		
Capital Advance	66.43	17.20
	<b>66.43</b>	<b>17.20</b>

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	As at March 31, 2021	As at March 31, 2020
<b>10 Current assets - Financial Assets: Trade receivables</b>		
Unsecured, considered good	308.68	190.67
	<b>308.68</b>	<b>190.67</b>
Less: Allowance for expected credit losses	-	-
	<b>308.68</b>	<b>190.67</b>
<b>11 Cash and cash equivalents</b>		
Balances with Banks		
In Current Account	159.94	351.66
In Deposit Account (maturing within 3 months)	220.00	350.00
Cash-on-Hand	0.81	0.72
	<b>380.75</b>	<b>702.38</b>
<b>12 Bank balances other than cash and cash equivalents</b>		
In fixed deposits (maturing after 3 months within 12 months from end of the reporting date)	5,361.12	1,825.00
In earmarked bank accounts		
Unpaid Dividend Account	16.98	17.53
	<b>5,378.10</b>	<b>1,842.53</b>
<b>13 Other financial assets</b>		
(Unsecured, considered good)		
Interest Accrued but not Due on Deposits	386.42	145.64
	<b>386.42</b>	<b>145.64</b>
<b>14 Other current assets</b>		
(Unsecured, considered good)		
Advances to Suppliers	-	21.71
Advances to Employees	1.12	0.27
Compensation deposit receivable	65.43	-
Prepaid Expenses	35.09	27.26
Others	14.98	15.88
	<b>116.62</b>	<b>65.11</b>



## THIRTIETH ANNUAL REPORT 2020 - 21

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	As at March 31, 2021	As at March 31, 2020
<b>15 Equity Share Capital</b>		
<b>Authorised Share Capital</b>		
5,000,000 (March 31, 2020 : 5,000,000) Equity shares of 10 each	500.00	500.00
	<b>500.00</b>	<b>500.00</b>
Issued, Subscribed and paid up Share Capital		
4,000,007 (March 31, 2020: 4,000,007 ) Equity shares of 10 each	400.00	400.00
	<b>400.00</b>	<b>400.00</b>
<b>Notes:</b>		
<b>(a) Reconciliation of number of equity shares subscribed</b>		
Balance as at the beginning of the year	40,00,007	40,00,007
Add: Issued during the year	-	-
Balance at the end of the year	<b>40,00,007</b>	<b>40,00,007</b>

**(b) There is no movement in the number of equity shares during the year and in the previous year.**

**(c) Rights, preferences and restrictions in respect of equity shares issued by the Company**

1. The company has only one class of equity shares having a par value of ₹10/- each. Each holder of Equity shares is entitled to one vote per share rank pari-passu in all respects including voting rights and entitlement to dividend.
2. The board of directors at its meeting held on June 23, 2021 has recommended for the dividend of INR 1.40 per equity share held (Previous year INR 1.20 per equity share held) at 14% (previous year 12%) on Equity shares. The recommended dividend is subject to the approval of shareholders of the Company in the ensuing 30th Annual General Meeting of the company.
3. In the event of liquidation, shareholders will be entitled to receive the remaining assets of the company after distribution of all preferential amounts. The distribution will be proportionate to the number of equity shares held by the shareholder.

**(d) Shareholders holding more than 5% of the total share capital**

Name of the share holder	March 31, 2021		March 31, 2020	
	No of shares	% of Holding	No of shares	% of Holding
Electronics Corporation of Tamil Nadu Ltd., Promoter	10,40,006	26.00%	10,40,006	26.00%
Stur Technologies Pvt Ltd., Promoter	4,50,000	11.25%	4,50,000	11.25%
Southern Projects Management Pvt Ltd., Promoter	2,54,371	6.36%	2,54,371	6.36%
Shanmugam Thiagarajan	3,69,483	9.24%	3,69,483	9.24%

	As at March 31, 2021	As at March 31, 2020
<b>16 Other Equity</b>		
General Reserve	2,912.21	2,912.21
Retained earnings	6,337.91	5,187.22
Other Reserves - Capital Subsidy	25.75	25.75
Actuarial movement through Other Comprehensive Income	2.46	3.69
Reserve for equity instruments through Other Comprehensive Income	6.76	5.62
	<b>9,285.09</b>	<b>8,134.49</b>
<b>a) General Reserve</b>		
Balance at the beginning of the year	2,912.21	2,912.21
Balance at the end of the year	<b>2,912.21</b>	<b>2,912.21</b>

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to Statement of Profit or Loss.

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(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>b) Retained earnings</b>		
Balance at the beginning of the year	5,187.22	4,174.62
Net profit for the year	1,198.69	1,084.93
Dividends Paid	(48.00)	(60.00)
Taxes on Dividends Paid	-	(12.33)
Balance at the end of the year	<b>6,337.91</b>	<b>5,187.22</b>
Retained earnings represents the Company's undistributed earnings after taxes.		
The Board has recommended on June 23, 2021 a dividend of ₹1.40 per share (14%) subject to the approval of the shareholders at the ensuing 30th Annual General Meeting.		
<b>c) Other Reserves - Capital Subsidy</b>		
Balance at the beginning of the year	25.75	25.75
Balance at the end of the year	<b>25.75</b>	<b>25.75</b>
As per the provisions of G.O.M.S. No.149 Industries dated April 01,1991 the company was granted a Capital Subsidy in the year 1995 of ₹25.75 Lakhs. Items included in the reserve will not be reclassified subsequently to Statement of Profit or Loss.		
<b>d) Actuarial movement through Other Comprehensive Income</b>		
Balance at the beginning of the year	3.69	3.09
Additions during the year	(1.23)	0.60
Balance at the end of the year	<b>2.46</b>	<b>3.69</b>

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	As at March 31, 2021	As at March 31, 2020
<b>e) Reserve for equity instruments through Other Comprehensive Income</b>		
Balance at the beginning of the year	5.62	5.48
Effect of measuring investments at fair value	1.14	0.14
Balance at the end of the year	<b>6.76</b>	<b>5.62</b>
<p>This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed off.</p>		
<b>17 Other financial liabilities</b>		
Non Cancellable Compensation Deposits	939.60	906.98
Token Deposit	9.06	9.01
Unamortised Interest income	71.81	132.20
	<b>1,020.47</b>	<b>1,048.19</b>
<b>18 Provisions (Non-current)</b>		
Provision for Employee Benefits		
Compensated absences (Refer Note 40)	2.97	8.37
	<b>2.97</b>	<b>8.37</b>
<b>19 Deferred Tax Liability/ (Asset) - Net</b>		
Deferred Tax Liability		
On Fixed Assets	4.59	9.18
Deferred Tax created on OCI Items	2.59	2.21
	<b>7.18</b>	<b>11.39</b>
<b>Deferred Tax Asset</b>		
On expenses allowable for tax on payment basis	4.00	5.43
Amortisation of Land Registration Charges	13.09	13.22
	<b>17.09</b>	<b>18.65</b>
<b>Net deferred tax Assets</b>	<b>(9.91)</b>	<b>(7.26)</b>

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(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	As at March 31, 2021	As at March 31, 2020
<b>20 Borrowings (Unsecured)</b>		
Loans and advances from related parties*		
Stur Technologies Private Ltd	426.34	426.34
	<b>426.34</b>	<b>426.34</b>
* repayable on demand		
<b>21 Trade Payables</b>		
Trade Payables		
Total Outstanding due of micro enterprises and small enterprises	3.03	6.25
Total Outstanding due of creditors other than micro enterprises and small enterprises	40.46	19.90
	<b>43.49</b>	<b>26.16</b>
Refer to Note 34 for dues to enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 which is on the basis of such parties having been identified by the management and relied upon by the auditors.		
<b>22 Other financial liabilities (other than those specified above)</b>		
Cancellable Compensation Deposit	169.76	175.74
Compensation Deposit-maturing in 1 year (Non Cancellable)	155.97	230.51
Unpaid Dividend	16.98	17.53
Interest on disputed dividend (net)	1.46	1.46
Advance from customers	29.79	12.43
Security Deposit	4.23	8.44
	<b>378.19</b>	<b>446.11</b>
<b>23 Provisions (Current)</b>		
Provision for employee benefits		
Compensated absences (Refer Note 40)	0.40	0.94
	<b>0.40</b>	<b>0.94</b>
<b>24 Other current liabilities</b>		
Statutory dues payable	26.02	29.86
Employee benefits payable	10.50	14.05
Gratuity payable (Refer Note 40)	7.40	3.95
	<b>43.92</b>	<b>47.86</b>

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>25 Revenue from operations</b>		
Sale of Services		
Compensation Income	1,893.25	1,952.75
Other operating revenues	242.59	450.94
	<b>2,135.84</b>	<b>2,403.69</b>
<b>26 Other income</b>		
Interest Income	496.98	496.68
Other Non-Operating Income	6.79	11.46
	<b>503.77</b>	<b>508.14</b>
i) Interest Income comprises of		
On Deposits	485.00	492.17
On Loans to Employees	0.02	3.12
On Others	11.96	1.39
	<b>496.98</b>	<b>496.68</b>
ii) Other Non-Operating Income comprises of		
Profit on sale of Fixed Assets	-	0.96
Income on redemption of mutual fund	-	8.31
Income on investments carried at fair value through profit & loss	-	-
Other Receipts	6.79	2.18
	<b>6.79</b>	<b>11.46</b>
<b>27 Employee benefits expense</b>		
Salaries and Wages	95.05	104.53
Contributions to provident and other funds	10.88	8.50
Staff welfare expenses	16.48	4.81
	<b>122.41</b>	<b>117.83</b>
<b>28 Depreciation and amortisation expense</b>		
Depreciation of property, plant and equipment	351.31	387.73
	<b>351.31</b>	<b>387.73</b>

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(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
<b>29 Other expenses</b>		
Electricity	162.47	330.38
Diesel	4.01	9.67
Water	13.68	24.39
Rent (refer note 37)	12.24	12.24
Repairs and maintenance		
Buildings	68.43	158.79
Machinery	7.59	28.77
Others	75.40	103.34
Insurance	9.79	10.25
Rates and taxes	2.71	45.97
Communication expenses	3.17	3.33
Traveling and conveyance	16.17	26.65
Printing and stationery	1.70	3.71
Business promotion expenses	4.15	6.91
Legal and professional charges	39.92	23.85
Payments to auditors (refer note a below)	7.00	6.00
Sitting fees	8.12	7.35
Contribution towards Corporate Social Responsibility (refer note b below)	25.80	24.05
Brokerage	-	20.25
Miscellaneous Expenses	1.40	6.63
	<b>463.76</b>	<b>852.52</b>
<b>(a) Payments to auditors</b>		
For Statutory audit	4.50	4.00
For Tax Audit	1.00	1.00
For Limited reviews	1.50	1.00
	<b>7.00</b>	<b>6.00</b>
<b>(b) Expenditure on Corporate Social Responsibility</b>		
Gross amount required to be spent on Corporate Social Responsibility during the year	<b>25.77</b>	<b>24.05</b>
Amount spent during the year on		
(i) Construction and/ or acquisition of any asset		
(ii) Other purposes [other than (i) above]	25.80	24.05
	<b>25.80</b>	<b>24.05</b>
Amount unspent during the year	<b>Nil</b>	<b>Nil</b>

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>30 Finance Costs</b>		
Implicit interest on security Deposits	71.51	86.64
	<b>71.51</b>	<b>86.64</b>
<b>31 Income tax expense</b>		
<b>(a) Income tax expense</b>		
<b>Current tax</b>		
Current tax on profits for the year	434.55	411.10
Total current tax expense	<b>434.55</b>	<b>411.10</b>
<b>Deferred tax</b>		
Deferred tax adjustments	(2.62)	(28.92)
Total deferred tax expense/(benefit)	<b>(2.62)</b>	<b>(28.92)</b>
<b>Income tax expense</b>	<b>431.93</b>	<b>382.18</b>
<b>(b) Reconciliation of tax expense and accounting profit for the year is as under:</b>		
Profit before tax	1,630.62	1,467.11
Income tax expense calculated 25.17% (Previous Year - 25.17%) (Refer Note 31 (c) below)	410.43	369.27
Tax Effect on non-deductible expenses (Net)	21.50	4.23
Tax effect on mutual fund redemption	-	8.68
<b>Tax Expense as per Statement of Profit and Loss</b>	<b>431.93</b>	<b>382.18</b>
<b>(c)</b> In the previous year 2019-20, the company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognized provision for Income tax and re-measured its deferred tax liabilities (Net) based on the rate prescribed in the said Ordinance.		



**(d) Movement of deferred tax expense during the year ended March 31, 2021**

Deferred tax (liabilities) / assets in relation to:	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
Property, plant, and equipment and Intangible Assets	(9.18)	4.59	-	(4.59)
Remeasurement of financial instruments under Ind AS	(2.21)	-	(0.38)	(2.59)
Other temporary differences	18.65	(1.97)	0.41	17.09
	<b>7.26</b>	<b>2.62</b>	<b>0.03</b>	<b>9.91</b>

**Movement of deferred tax expense during the year ended March 31, 2020**

Deferred tax (liabilities) / assets in relation to:	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
Property, plant, and equipment and Intangible Assets	(38.23)	29.05	-	(9.18)
Remeasurement of financial instruments under Ind AS	(3.27)	-	1.06	(2.21)
Other temporary differences	18.58	(0.13)	0.20	18.65
	<b>(22.92)</b>	<b>28.92</b>	<b>1.26</b>	<b>7.26</b>

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### 32 Earnings per share

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit for the year attributable to owners of the Company	1,198.69	1,084.93
Weighted average number of ordinary shares outstanding	40,00,007	40,00,007
Basic earnings per share (₹)	29.97	27.12
Diluted earnings per share (₹)	29.97	27.12

### 33 Expenditure in foreign currency

NIL

NIL

### 34 Disclosures required by the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 are as under

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) The principal amount remaining unpaid at the end of the year	3.03	6.25
(b) Delayed payments of principal amount paid beyond the appointed date during the year	-	-
(c) Interest actually paid under Section 16 of MSMED Act	-	-
(d) Normal Interest due and payable during the year, for all the delayed payments, as per the agreed terms	-	-
(e) Total interest accrued during the year and remaining unpaid	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management represents the principal amount payable to these enterprises. There are no interest due and outstanding as at the reporting date.

## **35 Commitments and contingent liabilities**

### **Contingent Liabilities**

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

##### **i) Lease Rent:**

During the year 2017, Electronics Corporation of Tamilnadu Limited (ELCOT) demanded interest on delayed payment of Lease Rent amounting to Rs.1,071 Lakhs for the period May 18, 2000 to August 8, 2017. However Company is of the view that considering the legal advice obtained the claim is not tenable and hence, no provision is considered necessary.

##### **ii) Service Tax:**

During the year, the Company has received service tax demand order passed by the additional commissioner of GST and Central Excise for Rs. 136.59 lakhs on treating reimbursement of electricity charges as taxable services for the period from October 2015 to June 2017. The Company is in the process of filing appeal before Hon'ble Commissioner (appeals) of GST and Central excise. The management based on it's assessment and legal advice obtained is confident of the outcome of the matters in it's favour.

## **36 Operating Segments**

The company is engaged in the business of 'Developing and maintaining integrated software technology parks' and therefore, has only one reportable segment in accordance with Ind AS 108 'Operating Segments'. The Company's revenue is generated only within India and all operating assets are also located only in India. Accordingly, no disclosure relating to geographical location is applicable.

### 37 Leases

#### (i) The company as a lessee

(Refer Note 4(a))

#### Amounts recognised in statement of Profit and Loss account

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest on Lease Liabilities	-	-
Variable lease payments	12.24	12.24

#### (b) The company as a lessor

- (i) Operating leases relate to the properties owned by the company with lease terms of between 1 to 5 years, with an option to extend for further period. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

#### (ii) Amounts recognised in statement of Profit and Loss account

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Lease Income for Operating Leases	1,893.25	1,952.75

#### (iii) Maturity analysis on lease payments receivable.

Future minimum lease payments under non-cancellable operating leases	As at March 31, 2021	As at March 31, 2020
Not later than 1 year	1,377.00	1,725.00
Later than 1 year but not later than 5 years	1,862.00	3,085.00
Later than 5 years	-	-

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(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### 38 Financial Instruments

#### Capital management

The Company's capital management objective is to maximise the total shareholder return by optimising cost of capital through flexible capital structure that supports growth. Further, the Company ensures optimal credit risk profile to maintain/enhance credit rating.

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

The following table summarises the capital of the Company:

Particulars	As at March 31, 2021	As at March 31, 2020
Equity	400.00	400.00
Debt	426.34	426.34
Cash and cash equivalents	380.75	702.38
<b>Net debt</b>	<b>45.59</b>	<b>(276.04)</b>
<b>Net Debt to Equity ratio</b>	<b>11.40</b>	<b>(69.01)</b>

#### Fair Value Measurements

The following table shows the carrying amounts and fair values of financial assets and financial liabilities including their levels in fair value hierarchy.

#### Categories of Financial Instruments

Particulars	March 31, 2021	March 31, 2020
<b>Financial Assets</b>		
<b>a. Measured at amortised cost</b>		
Other non-current financial assets	2,109.81	4,492.00
Trade receivables	308.68	190.67
Cash and cash equivalents	380.75	702.38
Bank balances other than above	5,378.10	1,842.53
Other current financial assets	386.42	145.64
<b>b. Mandatorily measured at fair value through profit or loss (FVTPL)</b>		
Investments - Level 1	-	-
<b>c. Mandatorily measured at fair value through other Comprehensive Income (FVTOCI)</b>		
Investments - Level 2	312.82	311.30

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	March 31, 2021	March 31, 2020
<b>Financial Liabilities</b>		
<b>a. Measured at amortised cost</b>		
Borrowings	426.34	426.34
Other non-current financial liabilities	1,020.47	1,048.19
Trade payables	43.49	26.16
Other financial liabilities	378.19	446.11

### Financial risk management objectives

The Company's activities expose it to a variety of financial risks, credit risks, liquidity risks and market risks.

The Company's board of directors has overall responsibility for the establishment and oversight of the risk management framework.

The Risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls and to monitor risks and adhere to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and company's activities. The company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

### Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities do not have any exposure to such risks.

### Foreign currency risk management & Sensitivity Analysis

The Company's operations do not involve transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations does not arise. Accordingly, the Company does not have any exposure to such risks.

There are no hedged or unhedged foreign currency exposure outstanding as at March 31, 2021 & March 31, 2020

## **Interest rate risk management & Sensitivity Analysis**

The Company has only interest free short term borrowings and accordingly is not exposed to interest rate risk.

## **Credit risk management**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is not subject to major credit risk as the majority of its trade receivables are covered by means of interest free security deposit taken at the inception of the agreement.

## **Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, margin money and other financial assets excluding equity investments.

### **(a) Trade Receivables**

Trade receivables are consisting of a large number of customers. The Company has credit evaluation policy for each customer and, based on the evaluation, credit limit of each customer is defined. Wherever the Company assesses the credit risk as high, the exposure is backed by security deposits taken at the time of entering into agreement with the customers.

The Company does not have higher concentration of credit risks to a single customer. As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

### **(b) Investments, Cash and Cash Equivalents and Bank Deposits**

Credit Risk on cash and cash equivalents, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions, who have been assigned high credit rating by international and domestic rating agencies.

Investments of surplus funds are made only with approved Financial Institutions/ Counterparty. Investments primarily include investment in units of quoted Mutual Funds, etc. These Mutual Funds and Counterparties have low credit risk.

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company invests its surplus funds in bank fixed deposit and mutual funds, which carry minimal mark to market risks. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

### Liquidity tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

<b>As at March 31, 2021</b>	<b>Due in 3 months</b>	<b>Due in 3 months to 1st year</b>	<b>Due in 1st to 5th year</b>	<b>Due after 5th year</b>	<b>Total Carrying amount</b>
Borrowings	-	426.34	-	-	426.34
Trade payables	43.49	-	-	-	43.49
Cancellable & Non Cancellable Deposits	-	338.72	1,007.47	-	1,346.19
Other financial liabilities	4.23	48.23	-	-	52.46
	<b>47.73</b>	<b>386.95</b>	<b>1,007.47</b>	<b>-</b>	<b>1,442.14</b>
<b>As at March 31, 2020</b>	<b>Due in 3 months</b>	<b>Due in 3 months to 1st year</b>	<b>Due in 1st to 5th year</b>	<b>Due after 5th year</b>	<b>Total Carrying amount</b>
Borrowings	-	426.34	-	-	426.34
Trade payables	26.16	-	-	-	26.16
Cancellable & Non Cancellable Deposits	185.79	177.29	1,037.75	53.60	1,454.43
Other financial liabilities	8.44	31.42	-	-	39.86
	<b>220.39</b>	<b>208.71</b>	<b>1,037.75</b>	<b>53.60</b>	<b>1,520.45</b>

	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):	Nil	Nil



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(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

**39 Related party disclosure****a) List of parties having significant influence**

<b>Holding company</b>	The Company does not have any holding company
<b>Entity having significant Influence</b>	Electronics Corporation of Tamil Nadu Ltd (ELCOT), Promoter
<b>Other Enterprise over which Key Management Personnel exercise significant influence</b>	IG3 Infra Ltd
<b>Key management personnel</b>	
Thirumathi Unnamalai Thiagarajan	Managing Director
Thirumathi E Kamakshi	Chief Financial Officer
Thiru T. Joswa Johnson till 18-02-2021	Company Secretary

**b) Transactions during the year**

S. No.	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
1	Electronics Corporation of Tamil Nadu Ltd (ELCOT) Lease Rent Sitting Fees	12.24 1.47	12.24 0.91
2	Thirumathi Unnamalai Thiagarajan Remuneration	14.00	14.00
3	Thirumathi E Kamakshi Remuneration Contribution to PF and Other Funds	14.88 1.22	14.74 1.22
4	T. Joswa Johnson Remuneration Contribution to PF and Other Funds	7.64 0.50	7.75 0.58

**c) Balances outstanding at the end of the year**

S. No.	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
1	Electronics Corporation of Tamil Nadu Ltd (ELCOT) Deposit given for leasehold land	837.34	849.01

**d) Investment in Equity shares**

S. No.	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
1	IG3 Infra Ltd (Formerly Indian Green Grid Group Ltd)	312.82	311.30

## 40 Retirement benefit plans

### Defined contribution plans

The total expense recognised in profit or loss of ₹10.88 lakhs (for the year ended March 31, 2020: ₹ 8.50 lakhs) represents contribution paid to these plans by the Company at rates specified in the rules of the plan.

### Defined benefit plans

In respect of Gratuity plan and Compensated absences plan, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as on March 31, 2021. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit cost method. The following table sets forth the status of the Gratuity Plan & Compensated absences plan of the Company and the amount recognised in the Balance Sheet and Statement of Profit and Loss. The Company provides the gratuity benefit through annual contributions to insurer managed funds.

These plan typically expose the Company to actuarial risks such as: investment risk, interest rate risk, demographic risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
Demographic Risk	The Company has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption.
Salary Escalation risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

In respect of the plan in India, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2021

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(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

by Mr. Srinivasan Nagasubramanian, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

No other post-retirement benefits are provided to these employees.

### (a) Gratuity

Gratuity is payable as per Payment of Gratuity Act, 1972. In terms of the same, gratuity is computed by multiplying last drawn salary (basic salary including dearness Allowance if any) by completed years of continuous service with part thereof in excess of six months and again by 15/26. The Act provides for a vesting period of 5 years for withdrawal and retirement and a monetary ceiling on gratuity payable to an employee on separation, as may be prescribed under the Payment of Gratuity Act, 1972, from time to time. However, in cases where an enterprise has more favourable terms in this regard the same has been adopted.

**The principal assumptions used for the purposes of the actuarial valuations were as follows:**

Particulars	March 31, 2021	March 31, 2020
Mortality Table	Indian Assured Lives (2006-08) Ultimate	Indian Assured Lives (2006-08) Ultimate
Discount Rate	7.16% p.a.	6.83% p.a.
Rate of increase in compensation level	10.00% p.a.	10.00% p.a.
Employee Attrition rate	10.00% p.a.	10.00% p.a.
Rate of Return on Plan Assets	7.16% p.a.	6.83% p.a.

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.

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

**Amounts recognised in total comprehensive income in respect of these Gratuity plan is as follows:**

Particulars	March 31, 2021	March 31, 2020
Current service cost	1.56	1.50
Net interest expense	0.99	1.33
Return on plan assets (excluding amounts included in net interest expense)	(0.71)	(1.09)
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>1.84</b>	<b>1.74</b>

**Remeasurement on the net defined benefit liability comprising:**

Particulars	March 31, 2021	March 31, 2020
Actuarial (gains)/losses recognised during the period	1.64	(0.79)
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>1.64</b>	<b>(0.79)</b>

- (i) The current service cost and the net interest expense for the year are included in the 'employee benefits expense' in profit or loss.
- (ii) The remeasurement of the net defined benefit liability is included in other comprehensive income.

**The amount included in the balance sheet arising from the Company's obligation in respect of its Gratuity plan is as follows:**

Particulars	March 31, 2021	March 31, 2020
Present value of defined benefit obligation	10.93	20.90
Fair value of plan assets	(3.53)	(16.95)
<b>Net liability / (asset) arising from defined benefit obligation</b>	<b>7.40</b>	<b>3.95</b>
Funded	7.40	3.95
	<b>7.40</b>	<b>3.95</b>

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**Movements in the present value of the defined benefit obligation in the current year were as follows:**

Particulars	March 31, 2021	March 31, 2020
Opening defined benefit obligation	20.90	20.15
Current service cost	1.56	1.50
Interest cost	0.99	1.33
Actuarial (gains)/losses	1.64	(0.76)
Benefits paid	(14.16)	(1.32)
Closing defined benefit obligation	<b>10.93</b>	<b>20.90</b>

**Movements in the fair value of the plan assets in the current year were as follows:**

Particulars	March 31, 2021	March 31, 2020
Opening fair value of plan assets	16.95	15.99
Return on plan assets	0.71	1.09
Contributions	0.05	1.16
Benefits paid	(14.16)	(1.32)
Actuarial gains/(loss)	(0.02)	0.03
Closing fair value of plan assets	<b>3.53</b>	<b>16.95</b>

### Sensitivity Analysis

“Sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet. There was no change in the methods of assumptions used in preparing the sensitivity analysis from prior years.”

### Maturity profile of benefit payments

Incidence of Payment	March 31, 2021
By the end of First Year	59,773
Between Year 1 and Year 2	37,412
Between Year 2 and Year 3	36,365
Between Year 3 and Year 4	32,048
Between Year 4 and Year 5	22,938
Between Year 5 and Year 10	6,68,946

### (b) Compensated absences

The compensated absences scheme is a final salary defined benefit plan, that provides for a lumpsum payment at the time of separation; based on scheme rules the benefits are calculated on the basis of last drawn salary and the leave count at the time of separation and paid as lumpsum.

### The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	March 31, 2021	March 31, 2020
Mortality Table	Indian Assured Lives (2006-08) Ultimate	Indian Assured Lives (2006-08) Ultimate
Discount Rate	7.16% p.a.	6.83% p.a.
Rate of salary escalation	10.00% p.a.	10.00% p.a.
Employee Attrition rate	10.00% p.a.	10.00% p.a.

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.

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(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

**Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:**

<b>Particulars</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Current service cost	1.13	3.68
Net interest expense	0.50	0.26
Actuarial (gains)/losses recognised during the period	(2.84)	3.25
Return on plan assets (excluding amounts included in net interest expense)		-
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>(1.21)</b>	<b>7.19</b>

**The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:**

<b>Particulars</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Present value of defined benefit obligation	3.37	9.31
Fair value of plan assets	-	-
<b>Net liability/ (asset) arising from defined benefit obligation</b>	<b>3.37</b>	<b>9.31</b>
Unfunded	3.37	9.31

The above provisions are reflected under 'Provision for employee benefits - Compensated Absences (Long and short-term provisions) [Refer note 17 and 22].

**Movements in the present value of the defined benefit obligation in the current year were as follows:**

Particulars	March 31, 2021	March 31, 2020
Opening defined benefit obligation	9.31	5.57
Current service cost	1.13	3.68
Interest cost	0.50	0.26
Actuarial (gains)/losses	(2.84)	3.25
Benefits paid	(4.73)	(3.45)
Closing defined benefit obligation	<b>3.37</b>	<b>9.31</b>

As the Company does not have any plan assets, the movement of present value of defined benefit obligation and fair value of plan assets has not been presented.

**Sensitivity Analysis**

“Sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet. There was no change in the methods of assumptions used in preparing the sensitivity analysis from prior years.”

- 41 The Code on Social Security 2020 (‘the Code’) relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.

The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.



- 42 “The COVID-19 outbreak has developed rapidly in India and across the globe. Measures taken by the Government to contain the virus, like lockdowns, travel bans and other measures, have affected economic activity and has caused disruption to regular business operations of the company.

The management has made a detailed assessment of its liquidity position for the next year and recoverability and carrying value of the assets comprising of property plant and equipment, trade receivables and other financial and non-financial assets. Based on the current indicators of future economic conditions, the company expects to recover the carrying amount of these assets. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of COVID-19 pandemic which may be different from that estimated as at the date of approval of these financial statements.

- 42 The financial statements were approved for issue by the Board of Directors on June 23, 2021.
- 43 The figures for the previous year have been reclassified/regrouped wherever necessary for better understanding and comparability.

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**For and on Behalf of the Board**

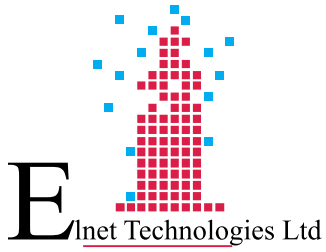
**Ajay Yadav, IAS.,**  
Chairman  
DIN:07785020

**Unnamalai Thiagarajan**  
Managing Director  
DIN:00203154

**G. Chellakrishna**  
Director  
DIN:01036398

**E. Kamakshi**  
Chief Financial Officer

Place : Chennai  
Date : 23rd June 2021



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