



July 30, 2014

Dr.V. Dharmalingam
Director – Elnet Technologies Limited
No.23, Parmeswari Nagar
II Street, Adyar,
Chennai 600 020

Sir,

Sub: Appointment letter – reg.

We are happy to inform you that your good selves had been re-appointed as an Independent Non-executive Director which has been approved by the members at its 23rd Annual General Meeting held on 17th July 2014. The terms and conditions of the appointment are as follows:

Terms of appointment of Independent Director

On behalf of the company, I write to confirm your appointment as an Independent Non-executive Director of Elnet Technologies Limited ("Elnet" or "Company ") as per the provisions of the companies act 2013. I set out the terms of your appointment:

1. TERM OF OFFICE :

Your re-appointment is already confirmed by the Shareholders in the general meeting as an independent Director of Elnet Technologies Limited under the Companies Act 2013 and Securities and Exchange Board of India guidelines. Please note that since you had served our Company for more that 5 years, you shall be eligible for this re-appointment only for the second and final term of Five (5) years from 17th July 2014. You shall not be liable to retire by rotation as per the relévant provisions of the companies Act, 2013 and listing agreement.

Your performance as an Independent Director will be reviewed during your tenure with the Company in accordance with processes agreed by the Board from time to time. You agree to participate in such reviews.

2. COMMITMENTS :

A) Independent Director

You will be expected to devote such time as is necessary for the proper performance of your duties and as an Independent Director you will be involved in a number of board and committee meetings each year. You should strive to attend all the scheduled quarterly board meetings, General Meetings, Committee board meetings and other meetings or attendance as necessary.

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REGD. OFF : Elnet Software City TS 140 BLOCK 2 & 9 RAJIV GANDHI SALAI, TARAMANI, CHENNAI - 600 113, TAMIL NADU, INDIA.
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CIN : L72300TN1990PLC019459



As an Independent director you should strive to hold and present in at least one meeting in a year without the presence of non-independent directors and members of management with the sole objective of:

- a) Review the performance of non-Independent directors and the Board as a whole.
 - b) Review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors.
 - c) Assess the quality, quantity and timeliness of flow of Information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.
- By accepting this appointment, you have confirmed that you are able to allocate sufficient time to meet the expectations of your role.

B) The Company

- The Company shall provide you with adequate notice of the dates of proposed board meeting. As per the provision of the Companies Act, 2013, the company is expected to give you an advance notice of minimum 7 days of every board. A meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one independent director, shall be present at the meeting and in case of absence of independent directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one independent director.
- Company has in place an effective whistle blower mechanism so that the directors can raise their concerns.
- It shall be the responsibility of the Company to provide the independent director with all the information and documents they validly require to fulfill their functions.
- The company shall ensure that the independent directors are aware of their statutory obligations.

1. CODE OF CONDUCT, FUNCTION AND DUTIES :

You will be expected to perform your duties, whether statutory, fiduciary or common law, faithfully, efficiently and diligently to a standard commensurate with both the functions of your role and your knowledge, skills and experience. You will have all the usual duties of an independent director under Company law and applicable listing agreement of the BSE and MSE including attendance at board meetings, the annual general meeting meetings of independent directors, meeting with investors and shareholders and other Board events. You will be required to serve on such committees as the Board may request including but not limited to Audit, and/or Nomination and remuneration and/or Stakeholders Relationship and/or sub-committees of Directors.

As a Director of Elnet, you will have legal duties and obligations under Companies Act, 2013. It is expected that you will familiarize yourself with the relevant Directors' duties, roles and responsibilities as set out in Annexure-1.





2. **LIABILITY :**

As an independent director you will be liable only in respect of such acts of omission or commission by a company which had occurred with your knowledge, attributable through Board processes and with your consent or connivance or where you had not acted diligently.

3. **TECHNOLOGY :**

Being a Director, you may make use of video, telephone, electronic mail, any other technology which permits each Director to communicate with every other Director or any combination of these technologies for the purpose of calling and holding Directors' meetings.

You may attend the Board or committee meeting through video conferencing or other audio visual means subject to the applicable provisions of the Companies Act, 2013.

4. **CONFLICT OF INTEREST:**

By accepting the appointment you will be deemed to have confirmed that any other position you hold including your directorship in other organizations, shall not give rise to any conflict of interest in relation to your appointment as an Independent Director of the Company. Should you become aware of any conflict or potential conflict during your appointment, you are expected to notify the Company Secretary.

As an Independent Director you shall not engage in any activities that is not expected from you as an Independent Director.

5. **DISCLOSURES:**

You shall be required to submit certain information in the prescribed forms on a defined periodicity. Company Secretary shall be coordinating officer for this.

You are required to disclose to the Company your interests and any matters(excluding those matters which may be subject to legal professional privilege) which affect your Independence.

During your tenure as an independent director, you are required to give a declaration that you meets the criteria of independent every financial year as provided under Section 149 of the Companies Act, 2013. Format of disclosure is enclosed in Annexure-2.

6. **DIRECTORS' FEES :**

You shall be paid a sitting fee of Rs.7,000/- for attending the each meeting of Board as well as the Committee meeting attended by you, as per the provisions of Section 197 of the Companies Act, 2013 and the Articles of Association of the Company.

The Company shall reimburse you all travelling, hotel and other incidental expenses properly and reasonably incurred by you in performance of duties as per provisions of the Companies Act, 2013 in conjunction with the Company rules and policies.





7. **REVIEW:**

The performance of the individual directors, the whole Board and committees is evaluated annually. If, in the interim, there are any matters which cause you concern about your role you should discuss them with the Chief executive officer or the senior independent director as soon as you can.

8. **CODE FOR INDEPENDENT DIRECTORS, CODE OF CONDUCT FOR DIRECTORS AND CODE OF CONDUCT OF PREVENTION OF INSIDER TRADING FOR EMPLOYEES INCLUDING DIRECTORS :**

You are required to abide by the Code for independent directors and code of conduct for Directors, as issued by the Company.

9. **INDUCTION AND TRAINING :**

Where possible, directors will be encourage to attend special training courses by various professional bodies to ensure that the directors are refreshed and equipped to perform their role in the highest standards and performance possible. You should feel free to request any further information which you require at any time.

10. **INDEMNITY AND INSURANCE PROVISION FOR DIRECTORS AND OFFICERS (D & OF) INSURANCE :**

The Company may obtain a Directors' & Officers' liability insurance Policy for you. Details of the same will be provided by the Company Secretary as and when such policy is taken by the Company.

11. **CONFIDENTIALITY AND ACCESS TO COMPANY RECORDS:**

Under Company law, the Directors have a right of access to Company's documents and records, including financial records.

Any confidential information which may come to your knowledge in the performance of your duties as a director of the Company must not be divulged except so far as

- a) May be necessary in connection with the proper performance of your duties to the Company.
- b) The Company may from time to time authorize you to disclose such information as may be required by you with the condition that you will take all reasonable precautions as may be necessary to maintain the secrecy and confidentiality of all confidential information of the Company or
- c) You may be required by law to disclose.





12. **APPLICABLE LAW**

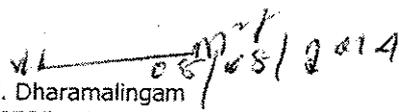
This letter of appointment shall be governed by the law of India.

Kindly confirm your agreement to the terms set out above by signing the endorsement on the enclosed copy of this and return the copy. In returning the letter duly signed, you agreed that the Company may make this letter publicly available.

Yours sincerely,
For ELNET TECHNOLOGIES LIMITED

UNNAMALAI THIAGARAJAN
MANAGING DIRECTOR
(DIN :00203154)

I have read and agree to the above terms regarding my appointment as an Independent non-executive Director.

Signature : 
Name : V. Dharamalingam
DIN : 00585114
Date : 30.07.2014
Place : Chennai





ANNEXURE 1

Power, duties and responsibility of Independent Director

A. PROFESSIONAL CONDUCT

As an Independent Director of the Company, you shall:

- a) uphold ethical standards of integrity and probity;
- b) act objectively and constructively while exercising your duties;
- c) exercise your responsibilities in a bona fide manner in the interest of the Company;
- d) devote sufficient time and attention to your professional obligations for informed and balanced decision making;
- e) not allow any extraneous considerations that will vitiate his exercise of objective Independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- f) not abuse your position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- g) refrain from any action that would lead to loss of your independence;
- h) where circumstances arise which make you as an Independent Director lose your independence, you must immediately inform the Board accordingly;
- i) assist the Company in implementing the best corporate governance practices

B. ROLE AND FUNCTIONS:

As an Independent Director of the Company, you shall:

- a) help in bringing an Independent judgment to bear on the Board's deliberations especially on issues on strategy, performance, risk management, resources, key appointments and standards of conduct;
- b) bring an objective view in the evaluation of the performance of Board and management;
- c) scrutinize the performance of management in meeting agreed goals and objective and monitor the reporting of performance;
- d) satisfy yourself on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- e) safeguard the interests of all stakeholders particularly the minority shareholders;
- f) balance the conflicting interest of the stakeholder;
- g) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management.
- h) moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.





DUTIES:

As an Independent Director of the Company, you shall:

- a) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- b) seek appropriate clarification or amplification of information and where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the Company;
- c) strive to attend all meetings of the Board of Directors and of the Board committees of which you are a member;
- d) participate constructively and actively in the committees of the Board in which you are a chairperson or a member;
- e) strive to attend the general meetings of the Company;
- f) ensure that your concerns about the running of the Company or a proposed action are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- g) keep yourself well informed about the Company and the external environment in which it operates;
- h) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- i) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the Company;
- j) ascertain and ensure that the Company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- k) report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- l) acting with your authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- m) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.





ANNEXURE 2

Declaration by Independent Director

"I V. Dharmalingam, holding DIN 00585114 with respect to the position of Independent Director of Elnet Technologies Limited, hereby confirm that:-

For the purposes of sub-clause (iii) of sub-section (77) of section 2

- a) I do not hold designation of Managing Director or a Whole-time Director or a Nominee Director in the Company or its holding, subsidiary or associate company;
- b) I possess relevant expertise and experience as required for the designation;
- c) I possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, administration, research and corporate governance related to the company's business;
- d) I am not the nominee of any financial institution or of the Government or any of any other person, to represent their interest on the Board;
- e) I am or was not promoter of the company or its holding, subsidiary or associate company and also is not related to the promoters or directors in the company, its holding, subsidiary or associate company as per Section 2 (77) (iii) of Companies Act, 2013;
- f) I do not have had any pecuniary relationship with the company, its holding, subsidiary or associate company or their promoters, or directors, during the two immediately preceding years or during the current financial year, apart from receiving director's remuneration from the company u/s 149(9) of the Companies Act, 2013.
- g) None of my relative has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or fifty lakh rupees, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- h) Neither I nor any of my relative hold or has held the position of key managerial personnel or is or has been employee of the company or its holding, subsidiary or associated company in any of the three financial years immediately preceding the current financial year;
- i) Neither I nor any of my relative hold or has been an employee or proprietor or a partner in any of the three financial year immediately preceding the current financial year:
 - i) In a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company,
 - ii) In any legal or a consulting firm that has or had any transaction with the company, its holding company, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm.
- j) I or any of my relative do not hold together with my relative 2% or more of the total voting power of the company.
- k) I or any of my relative is not a material supplier, service provider or customer or a lessor or a lessee of the company.
- l) Neither I or nor any of my relatives is a Chief Executive Officer (CEO) by whatever name called, of any non-profit organization that receives 25% or more of its receipt from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company.
- m) I am not disqualified to act as an Independent Director under any provision of Companies Act, 2013 and rules made there under, or any other law for the time being in force in India or under Listing Agreement of the Stock Exchanges.



