

**E**lnet Technologies Ltd

**TWENTY SEVENTH  
ANNUAL REPORT**

**2017-2018**

<b>BOARD OF DIRECTORS</b>	<p>Thiru M. Vijayakumar, IAS., Chairman &amp; Nominee Director (w.e.f 25.05.2018)</p> <p>Thiru R. Sudalaikannan IAS., Chairman and Nominee Director (08.12.2017 to 20.03.2018)</p> <p>Dr.Rajendra Kumar, IAS, Chairman and Nominee Director (09.11.2016 to 28.08.2017)</p> <p>Tmt. Unnamalai Thiagarajan, Managing Director</p> <p>Thiru C. Ramachandran, IAS (Retd.)</p> <p>Thiru J. Ravi</p> <p>Thiru G. Chellakrishna</p> <p>Thiru H. Karthik Seshadri</p> <p>Thiru R. Ganapathi</p> <p>Thiru K. Padmanaban (Upto 28.02.2018)</p> <p>Thiru B.Evanesan</p> <p>Thiru G. Senrayaperumal</p> <p>Dr.V. Dharmalingam</p> <p>Thiru K. Kasim, IPS (Retd.)</p>
<b>CHIEF FINANCIAL OFFICER</b>	Mrs. E. Kamakshi (w.e.f 9th February, 2018)
<b>COMPANY SECRETARY</b>	Mr. T. Joswa Johnson (w.e.f 8th December, 2017)
<b>STATUTORY AUDITORS</b>	M/s. MSKA and Associates Teynampet, Chennai-600018.
<b>SECRETARIAL AUDITORS</b>	BP and Associates Ashok Nagar, Chennai.
<b>INTERNAL AUDITORS</b>	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 155, Anna Salai, Chennai 600 002.</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-600113.
<b>REGISTRARS 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

## TWENTY SEVENTH ANNUAL REPORT 2017 - 18

### PAST TEN YEARS STANDALONE FINANCIAL PERFORMANCE SUMMARY

(In ₹ Lacs)

Financial Highlights	As per IND As		As per IGAAP							
	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
Gross Revenue	2588.33	2528.69	2414.35	2330.04	2253.80	2169.21	1687.72	1606.45	1681.91	1937.87
Profits Before Tax	1233.15	1205.99	979.78	847.39	864.59	802.03	635.51	570.88	573.65	610.00
Taxation	333.25	422.51	335.17	284.69	280.69	263.13	214.16	206.27	198.42	211.75
Profits After Tax	899.90	783.48	644.61	562.7	583.90	538.90	421.35	364.61	375.23	398.25
Dividend & Dividend Taxes	*72.21	67.40	81.84	67.4	65.52	65.52	55.79	56.79	55.97	56.16
Borrowings	426.34	426.34	426.34	426.34	426.34	426.34	426.34	873.44	1381.62	1710.64
Networth	6775.84	5912.49	5300.44	4737.36	4299.21	3780.82	3298.38	2932.82	2623.99	2304.74
Earnings per Equity Share	22.5	19.59	16.12	14.07	14.60	13.47	10.53	9.12	9.38	9.96
Dividend on Equity Share	15%	14%	17%	14%	14%	12%	12%	12%	12%	12%
Debt: Equity Ratio	0.06:1	0.07:1	0.08:1	0.08:1	0.1:1	0.1:1	0.1:1	0.3:1	0.5:1	0.7:1

\* The Board has recommended the amount for the purpose of payment of dividend subject to the approval of members in the 27th AGM of the Company to be held on 9th August, 2018.

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### NOTICE CONVENING THE ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the Twenty Seventh Annual General Meeting of Elnet Technologies Limited will be held on Thursday, 9th August, 2018 at 11.00 A.M at New Woodlands Hotel Pvt. Ltd. located at No.72-75, Dr.Radhakrishnan Salai, Mylapore, Chennai-600004 to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone and consolidated Financial Statements for the Financial Year ended 31st March, 2018 and the Reports of the Board of Directors and the Statutory Auditors thereon.
2. To declare a dividend of Rs. 1.50 per equity Share for the Financial Year ended 31st March, 2018.
3. To appoint a director in place of Thiru J. Ravi (DIN:00042953) who retires by rotation and being eligible offers himself for re-appointment.
4. To fix the remuneration of Statutory Auditors

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

**“RESOLVED THAT** pursuant to the provisions of Section 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to resolution passed by the members at the 26th Annual General Meeting held on July 06, 2017, and as recommended by the Audit Committee, the Board of Directors of the company be and is hereby authorised to fix the remuneration payable to M/s. MSKA & Associates, Chartered Accountants, Chennai (Firm Registration number 105047W) as may be determined by the Audit Committee in consultation with the Auditors and the Board of Directors, from time to time during the remaining tenure of their appointment.”

#### SPECIAL BUSINESS:

- 5. RE-APPOINTMENT OF TMT UNNAMALAI THIAGARAJAN (DIN:00203154), AS MANAGING DIRECTOR.**

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

**“RESOLVED THAT** in accordance with the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule - V of the Companies Act,

2013 and Articles of Association of the Company, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, the approval of the members of the Company be and is hereby accorded to the re-appointment of Tmt Unnamalai Thiagarajan (DIN:00203154) as Managing Director of the Company for a period of 5 years with effect from 29th September 2018 on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this meeting with liberty to the Board of Directors and/or their committee to alter and vary the terms and conditions including remuneration as it may deem fit, subject to the same not exceeding the limits specified under Section 197 of the Companies Act, 2013.

**RESOLVED FURTHER THAT** any Director of the Company and/or Company Secretary be and is hereby authorized to take such steps as may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.”

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

Place : Chennai  
Date : 25<sup>th</sup> May, 2018

**T. Joswa Johnson**  
Company Secretary

**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:elnet@md4.vsnl.net.in  
Website: www.elnettechnologies.com  
CIN:L72300TN1990PLC019459

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### IMPORTANT NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to Special Business to be transacted at the Annual General Meeting (the “AGM” or “Meeting”), is annexed hereto.
2. ***A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (“AGM”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.***

The instrument appointing the proxy, in order to be effective, should be deposited, duly completed and signed, at the registered office of the Company not less than forty-eight hours before the commencement of the AGM. Proxies admitted on behalf of the Companies, Societies and Partnership firms etc. must be accompanied by appropriate resolution/authority as applicable, issued on behalf of the nominating organization.

3. Pursuant to Section 105 of the Companies Act, 2013 and Rule 19 of the Companies (Management & Administration) Rules, 2014, a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. The proxy holder shall prove his/her identity at the time of attending the AGM. When a member appoints a proxy and both the member and proxy attend the meeting, the proxy stands automatically revoked.
4. Corporate members are requested to send a duly certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013 authorizing their representative to attend and vote at the AGM.
5. A member would be entitled to inspect the proxies lodged during 24 hours before the time fixed for the commencement of AGM and until the conclusion of the AGM.
6. As an austerity measure, the members/proxies are requested to bring their copy of the annual report to the AGM along with duly filled attendance slips for admission to the AGM.
7. The Ministry of Corporate Affairs (MCA) vide General circular No.12/2017 dated on 16th October, 2017 had notified the amendment to Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Second Amendment Rules, 2017 (“the Rules”) wherein the Company was required to transfer all the shares whose dividend is lying in the “Unpaid Dividend Account” of the Company as unpaid or unclaimed for a period of seven consecutive years from the date of its transfer and due date falls during the period 7th September 2016 to 31st October, 2017. The Company has complied with

the same and the shares pertaining to the dividend declared in financial year ended 2008-09 and 2009-10 have been transferred by the Company to the Investor Education and Protection Fund subject to the prior intimation given via Newspapers advertisement and individual letter to the eligible Shareholders. The Company has uploaded the details of the aforesaid transfer of shares to the Investor Education and Protection Fund on the website of the IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in) and on the website of the Company [www.elnettechnologies.com](http://www.elnettechnologies.com)

As on March 31, 2018 following amount of dividends remained unclaimed.

Financial Year for which Dividend Declared	Unpaid/ Unclaimed Dividend Amount As On 31.03.2018 (In ₹)	Date of Declaration of Dividend	7 Years from the date of transfer to Unpaid Dividend Account)
2010-11	3,31,775.20	28.06.2011	31.07.2018
2011-12	2,72,043.60	22.06.2012	24.07.2019
2012-13	2,30,013.00	20.06.2013	22.07.2020
2013-14	2,41,516.80	17.07.2014	20.08.2021
2014-15	2,21,698.60	08.07.2015	10.08.2022
2015-16	2,92,039.70	15.06.2016	18.07.2023
2016-17	6,34,603.40	06.07.2017	08.08.2024
<b>TOTAL</b>	<b>22,23,690.30</b>		

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 ended 2010-11, within 30 days from the cut-off date of 31st July, 2018. As per the provisions, the 3 months prior intimation to the eligible shareholders via Newspapers advertisement and individual letters has given and the same has been updated in website of the Company <http://www.elnettechnologies.com/Document/Newspapers%20advertisement%2003.05.2018.pdf>. Such Members are requested to ensure their claim, before it is transferred to the said Fund.

- The Register of Members and the Share Transfer books of the Company will remain closed from Saturday, 28th day of July, 2018 to Thursday, 9th day of August, 2018 (both days inclusive) for determining the name of Members eligible for dividend on Equity shares, if declared at the Meeting.

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9. Dividend on equity shares, if declared at the Meeting, will be credited/dispached within 30 days to those members whose names shall appear on the Company Register of Members as on book closure date Friday, 27th July, 2018.
10. Members holding shares in electronic form are requested to intimate immediately, any change in their address or bank mandates to their Depository Participant(s) with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to Registrar and Share Transfer Agent, M/s. Cameo Corporate Services Ltd, "Subramanian Building" # 1, Club House Road, Chennai-600002.
11. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend electronically. The Company or its Registrar and Share Transfer Agent M/s. Cameo Corporate Services Ltd cannot act on any request received from such members. Members holding shares in physical form, dividend will be paid as per the existing records Company.
12. Members are requested to contact the Company's Registrar & Share Transfer Agents, M/s. Cameo Corporate Services Ltd for their queries/redressal of complaints, if any, or contact Mr. T. Joswa Johnson, Company Secretary & Compliance Officer at the Corporate Office of the Company (Phone:044-22541793;Email: elnet@md4.vsnl.net.in
13. Queries if any, on the accounts and operation of the Company, if any, may please be sent to the Registered Office of the Company located at Elnet Software City, TS 140, Block No.2 & 9, Rajiv Gandhi Salai, Taramani, Chennai - 600 113 (marked to the attention of CFO) at least seven days prior to the date of AGM.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrars and Share Transfer Agents, M/s. Cameo Corporate Services Ltd.
15. In accordance with the provision of Section 108 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and amendments thereto and Regulation 44 of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 the Company is pleased to provide its members the facility to cast their vote by electronic means on all resolutions set forth in the Notice. The instructions for e-voting are given in serial no.21. The cut-off date for determining the eligibility to vote by electronic means or by ballot in the general meeting shall be Friday, 27th July, 2018.

16. In keeping with the Green Initiative measures, the Company hereby requests members who have not registered their email addresses so far, to register their email addresses for receiving all communication including annual report, notices, circulars etc. from the Company electronically.
17. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 and Register of Contracts or Arrangements in which directors are interested, maintained under Section 189 of the Companies Act, 2013 read with Rules issued thereunder will be available for inspection by the members at the AGM.
18. A route map showing directions to reach the venue of the 27th Annual General Meeting is given along with this notice.
19. Additional information pursuant to Regulation 36 of the Listing Regulation Regulations and Secretarial Standards in respect of the directors seeking appointment/re-appointment at the AGM, forms part of the Notice.

**20. IMPORTANT SHAREHOLDERS COMMUNICATION:**

The Ministry of Corporate Affairs (“Ministry”), Government of India, has taken a “Green Initiative in Corporate Governance” by allowing paperless compliances by companies through electronic mode. As per the Circular No.17/2011, dated 21.04.2011 and Circular No.18/2011, dated 29.04.2011 issued by the Ministry of Corporate Affairs, Companies can now send various notices/documents (including notice calling Annual General Meeting, Audited Financial Statements, Boards Report, Auditors Report etc.) to the shareholders through electronic mode, to their registered email addresses. In case you are desirous of having the digital version of the Annual Report, you may write to us at [elnet@md4.vsnl.net.in](mailto:elnet@md4.vsnl.net.in) or at the registered Office of the Company. The Annual report of the Company can be accessed at Annual Report category of Investor section in website of the Company [www.elnettechnologies.com](http://www.elnettechnologies.com).

Electronic copy of the Notice of the afore said Meeting and Annual Report for the financial year 2017-18 of the Company inter alia indicating the process and manner of voting through electronic means along with Attendance Slip and Proxy Form is being sent to all the Members whose email IDs are registered with the Company’s Registrar and Share Transfer Agents/Depository Participants(s) for communication purposes.

For members who have not registered their email address, physical copies of the Notice of the Meeting and Annual Report for the financial year 2017-18 of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the eligible members of the Company.

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### 21. E-Voting:

**VOTING THROUGH ELECTRONIC MEANS:** The Company is pleased to provide members a facility to exercise their right to vote on the resolutions as set out in the Notice by 'electronic means' and all the businesses may be transacted through e-voting services provided by Central Depository Services (India) Limited.

The Company is providing facility for voting by electronic means in compliance with the provisions of Section 108 of the Companies Act, read with Rule 20 of the Companies (Management and Administration) Rule, 2014 and Regulation 44 of SEBI (Listing obligations and disclosure requirements) Regulations, 2015.

**The instructions for shareholders voting electronically (remote e-Voting) are as under:**

- (i) The voting period begins on Thursday, 2nd August, 2018 at 9.00 A.M. and ends on Wednesday, 8th August, 2018 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Friday, 27th July, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by shareholder, the shareholder shall not be allowed to change it subsequently.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue. The facility for voting, through polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote may exercise their vote through polling paper in the Annual General Meeting.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders/Members.
- (v) 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. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	<ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters.Eg.If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR 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>

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant Company Name on which you choose to vote. i.e., ELNET TECHNOLOGIES LIMITED

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- (xiii) 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.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote, 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.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print out of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xviii) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Custodian/Corporate shareholder.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they should create a compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- (xxi) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date Friday, 27th July, 2018 may follow the same instructions as mentioned above for e-Voting.
- (xxii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
22. 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 Friday, 27th July, 2018.
23. 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 for conducting the e-voting process in a fair and transparent manner.
24. After the conclusion of the Meeting, the Scrutinizer shall unblock the votes in the presence of at least 2 (two) witnesses not in the employment of the Company and make a Scrutinizer’s Report on the votes cast in favour or against the resolutions.
25. The Results shall be declared by the Chairman or by any person authorized by him in this regard on or before 11th August, 2018. The result along with the Scrutinizer’s report shall be placed on the Company’s website [www.elnettechnologies.com](http://www.elnettechnologies.com) and on the website of CDSL within two days of passing of the resolutions at the AGM of the Company and communicated to BSE Limited. The resolution, if approved will be taken as passed effectively on the date of declaration of the result, explained as above.
27. All documents referred to in the accompanying Notice shall be open for inspection at the Corporate Office of the Company during normal business hours (Monday to Friday 9.30 am to 5.30 pm and Saturday 9.30 am to 1.00 pm) except Sundays, and including the date of the Annual General Meeting of the Company.

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

Place : Chennai  
Date : 25<sup>th</sup> May, 2018

**T. Joswa Johnson**  
Company Secretary

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

Annexed to the Notice of 27th Annual General Meeting scheduled to be held on Thursday, 9th August, 2018 at 11.00 A.M at New Woodlands Hotel Pvt. Ltd. located at No.72-75, Dr. Radha krishnan Salai, Mylapore, Chennai - 600004.

#### Item No.5

Tmt Unnamalai Thiagarajan was appointed as the Managing Director of the Company at the 23rd Annual General Meeting held on 17th July 2014 for a fixed term of 5 years with effect from 29th September, 2013 to 28th September, 2018. The said tenure shall expire on 28th September, 2018.

Considering various parameters during her tenure of office which, inter alia, includes, the scale of operations of the Company and increased involvement as a Managing Director for the overall growth of the Company and taking into account the size of operations of the Company, position, responsibilities and capabilities, the Nomination and Remuneration Committee at its meeting held on 25th May, 2018 recommended to the Board for re-appointment of Tmt Unnamalai Thiagarajan as Managing Director for a further period of 5 years.

The Board of Directors of the Company at its meeting held on Friday, 25th May, 2018 had approved the re-appointment of Tmt Unnamalai Thiagarajan as Managing Director of the Company for a period of 5 years with effect from 29th September, 2018 subject to the approval of the members at their 27th Annual general meeting of the Company without any changes in the existing remuneration of Rs. 14 lacs p.a.

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

#### **Details of Directors seeking re-appointment at the 27th Annual General Meeting Pursuant to Regulation 36(3) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meeting (SS-2).**

Name of Director	Tmt Unnamalai Thiagarajan	Thiru J. Ravi
Age	58	63
Nationality	Indian	Indian
Qualification	B.A. B.L.,	B.Tech - Chemical Engineering
Experience and Expertise in specific functional areas	25 years of experience in Business Management, Legal and Plantation Management	34 years of experience in International Trading
Date of first appointment to the Board	08.08.2003	08.08.2003

Terms of Re- appointment	Re-appointed for a period of 5 years with effect from 29th September, 2018	Being longest in office liable to retire by rotation and sought himself of reappointment.
Revised Remuneration sought to be paid	Same as existing remuneration	NIL
Remuneration last drawn for the FY 2017-18	Rs. 14 lacs p.a	Rs. 1.61 lacs sitting fees paid for the Meetings attended during the financial year 2017-18. Other than sitting fees no remuneration was paid.
Shareholding in this company	500 equity shares of Rs. 10/- each	NIL
Relationship	Relationship with directors- NIL	Relationship with directors- NIL
	Relationship with Manager- NIL	Relationship with Manager- NIL
	Relationship with Key Managerial Personnel- NIL	Relationship with Key Managerial Personnel- NIL
No of Board Meetings held and attended during the year	4/5	5/5
Name(s) of other entities in which holding of directorship	1. Magna foods and Proteins Private Ltd	NIL
	2. ShriIndhira Cotton Mills Private limited	
	3. Weavers Harvest (India) Private Limited	
	4. Total Technology & Solutions Private limited	
	5. Prathibha Engineering Industries Private Limited	
	6. Totsol Infrastructure Projects management Private Limited	
	7. Madura Infrastructure Projects management Private Limited	
	8. Professional Infrastructure Projects management Private Limited	
	9. IG3 Infra Limited	

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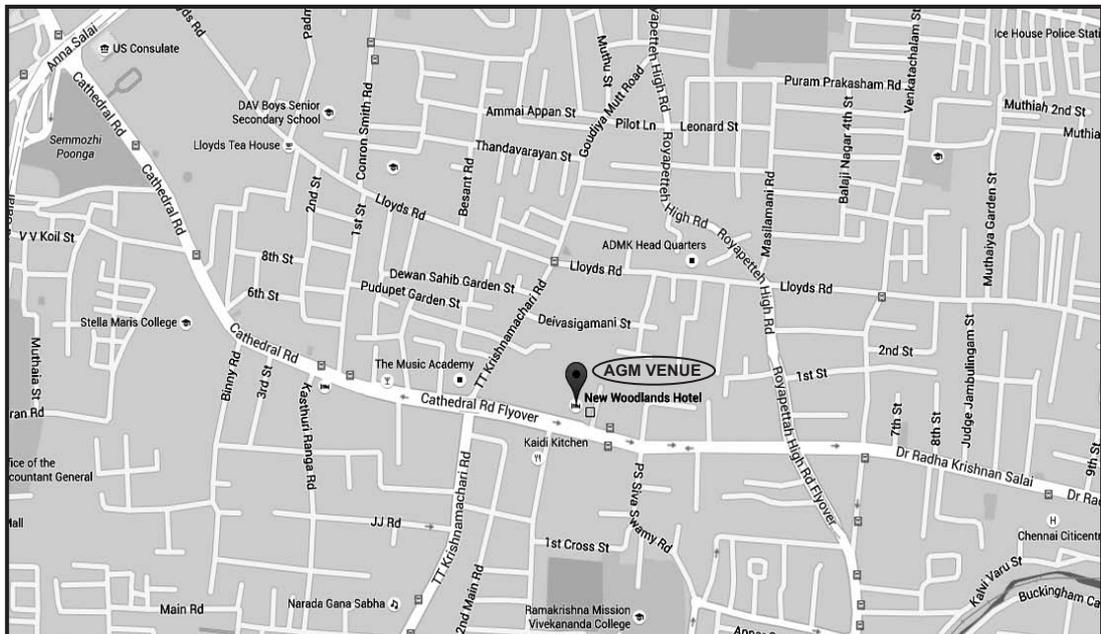
	10. The Great Indian Linen And Textile infrastructure Company Private Limited	
	11. Stur Power Sector Management Private limited	
	12. Rukmini Investments Private Limited	
	13. Rukmini Industrial Corpn Pvt Ltd	
Chairpersonship/ Membership in committees of other Entities	NIL	NIL

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

Place : Chennai  
Date : 25<sup>th</sup> May, 2018

**T. Joswa Johnson**  
Company Secretary

### ROUTE MAP FOR THE 27TH ANNUAL GENERAL MEETING



## BOARD'S REPORT

Dear Members,

Your Directors have great pleasure in presenting the Twenty Seventh Annual Report together with the Audited financial statements of your Company for the Financial Year ended 31st March, 2018.

### FINANCIAL HIGHLIGHTS (Standalone and Consolidated)

The financial performance of your company is stated hereunder: (Rs. In Lakhs)

S. No.	Particulars	STANDALONE		CONSOLIDATED	
		2017-18	2016-17	2017-18	2016-17
1.	Revenue from operations	2221.37	2266.60	2221.37	2266.60
2.	Other income	366.96	262.09	366.96	262.09
3.	Total revenue	2588.33	2528.69	2588.33	2528.69
4.	Expenses	1352.03	1318.28	1355.18	1322.70
5.	Profit before exceptional items and tax	1236.30	1210.41	1233.15	1205.99
6.	Exceptional items	(3.15)	(4.42)	0.00	0.00
7.	Profit before tax	1233.15	1205.99	1233.15	1205.99
8.	Tax expense	333.25	422.51	333.25	422.51
9.	Profit for the period	899.90	783.48	899.90	783.48
10.	Other comprehensive income, net of income tax	32.23	1.26	32.23	1.26
11.	Total comprehensive income for the period	932.13	784.74	932.13	784.74
12.	Earnings per share	22.50	19.59	22.50	19.59

### STATE OF THE COMPANY'S AFFAIRS:

During the year 2017-18, there was no significant change in the business model of the company.

### DIVIDEND

Your Directors are pleased to recommend a dividend of 15% on the Equity Shares of the Company for the year ended 31st March, 2018. The dividend, if approved by the Shareholders will be paid within the statutory period out of the profits of the Company to all those equity shareholders whose names appear on the Register of Members of the Company as on Friday, 27th July, 2018 being the record date.

## **TWENTY SEVENTH ANNUAL REPORT 2017 - 18**

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### **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.

### **FUTURE PROSPECTS**

Your Company currently enjoys 100% occupancy level. At present, there is no proposal for any further expansion.

### **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.

MCA issued notification dated 16th October, 2017 wherein if the seven consecutive years expired as per section 124 of the Companies Act, 2013 during 7th September, 2016 to 31st October, 2017 the shares pertaining to the dividend have to be transferred to IEPF account. In compliance with the provision, during the financial year 2017-18 the Company had sent individual notices to the eligible shareholders and advertised in the newspapers (Business standard - Leading English Newspaper All India edition and Malai sudar- 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 31st March, 2009 and 31st March, 2010. 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 31st March, 2010 to IEPF authority.

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.

### **Transfer of Unpaid/ Unclaimed Dividend Amount/ Shares pertaining to the dividend declared financial year ended 31st March, 2011 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 31st March, 2011 is 31st July, 2018. Hence, the company has made a necessary advertisement in newspaper and issued the individual intimation letter to the eligible shareholders. 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 2018). Members are requested to ensure that they claim the dividends and shares referred above, before they are transferred to the said Fund.

### **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 31st March, 2018 forms part of this Annual Report.

### **LIQUIDATION OF SUBSIDIARY COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS**

The board of directors of Elnet Software City limited (“subsidiary company”) at its meeting held on 28th August, 2017 made a declaration of solvency and approved the proposal for voluntary liquidation of the company and appointment of liquidator which was subject to the approval of members. The Members of the subsidiary approved the proposal by a special resolution passed on 1st September, 2017. The voluntary liquidation of the subsidiary has been completed and the asset in the form of cash has also been distributed to the shareholders of the subsidiary Company. The necessary e-forms have been filed with Registrar of companies, Chennai. The subsidiary company is ceased to be subsidiary thereon. The Liquidator has made an application for dissolution of the company before the Honorable National Company Law tribunal, Chennai Bench under the provisions of Insolvency and bankruptcy code, 2016 read with rules thereon. Pursuant to the same, the Holding Company lost control on the subsidiary company w.e.f 01st September 2017 and hence consolidation has been prepared till that date as per Ind AS.

The statement pursuant to section 129 of the Companies Act, 2013 in the prescribed Form AOC-1 relating to disclosure of subsidiary company (Under liquidation as on 31.03.2018) is enclosed as **ANNEXURE-II**

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

The Board of Directors met 05 (five) times during the financial year ended 31st March, 2018. i.e., 12th May, 2017, 06th July, 2017, 07th September, 2017, 08th December, 2017 and 09th February, 2018. 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. The particulars of meeting of all Committees held during the financial year ended 31st March, 2018 are given in the Corporate Governance report forming part of this Annual Report.

### **AUDIT COMMITTEE**

Pursuant to section 177(8) of Companies Act 2013, the particulars of Composition and all other details about Audit Committee 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 AND RESIGNATION**

During the year ended 31st March, 2018, Dr. Rajendra Kumar (DIN: 02677079) chairman and Nominee director on Board of the company resigned with effect from 28th August, 2017 due to nomination withdrawn by ELCOT (Nominating Authority).

During the financial year ended 31st March, 2018, Thiru R. Sudalaikannan (DIN: 03607537) was appointed as the Chairman and Nominee Director on Board of the Company at the board of Directors Meeting held on 08th December, 2017 as per the nomination issued by ELCOT (Nominating Authority). Thiru R. Sudalaikannan (DIN: 03607537) resigned from the post of Chairman and Nominee Director of the Company with effect from 20th March, 2018 due to nomination withdrawn by ELCOT (Nominating Authority).

During the year ended 31st March, 2018, Thiru K. Padmanaban (DIN: 00297842) resigned from the post of Nominee Director of the Company with effect from 28th February, 2018 as per the nomination withdrawn by ELCOT (Nominating Authority).

### **RE-APPOINTMENT**

During the year ended 31st March, 2018, pursuant to Section 152(6) (c) of Companies Act 2013, Thiru C. Ramachandran IAS (Retd) (DIN: 0050893) who was being longest in office, retired by rotation, offered himself and re-appointed at the 26th Annual General Meeting held on 06th July, 2017.

### **CHANGE IN KEY MANAGERIAL PERSONNEL**

Mr. T. Joswa Johnson was appointed as Company Secretary and Compliance Officer (Key Managerial Personnel) of the Company at the Board of directors meeting held on 08th December, 2017 with immediate effect in accordance with Section 203 of Companies Act, 2013 in place of Mr. S. Lakshmi Narasimhan, Company Secretary and Compliance Officer (Key Managerial Personnel) who resigned from the services of the Company after the closure of business hours on 10th November, 2017.

Mrs. E. Kamakshi was appointed as the Chief Financial officer (Key Managerial Personnel) of the Company at the Board of directors meeting held on 09th February, 2018 with immediate effect in accordance with Section 203 of Companies Act, 2013 in place of Mr. T. K Karthik Chief Financial officer (Key Managerial Personnel).

### **EXTRACT OF THE ANNUAL RETURN**

Pursuant to the provisions of Section 134(3) (a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended March 31, 2018 made under the provisions of Section 92(3) of the Act is attached as **ANNEXURE- IV** forms part of this Report.

### **INDEPENDENT DIRECTORS' DECLARATION**

The Company has received declarations from all Independent Directors of the Company 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.

### **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

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of Corporate Governance has been furnished in the Annual Report as **ANNEXURE-VII** 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-VI** and forms a 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 <http://www.elnettechnologies.com/Document/Code-of-Conduct.pdf>. All the Board of directors and senior management personnel have affirmed compliance with the Code of conduct as on 31st March, 2018.

As required under Regulation 34(3) and Schedule V(D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a declaration from Tmt Unnamaai 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 Exchanges within the stipulated time.

### **DEMATERIALIZATION OF EQUITY SHARES**

As on 31st March, 2018, 38,23,535 numbers of equity shares are held in Dematerialized form, which constitutes 95.58% of total shareholding.

### **ACCEPTANCE OF FIXED 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, 2018, 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 31st March, 2018 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 <http://www.elnettechnologies.com/Document/CSR%20Policy.pdf>. 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-V** 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.

Earlier, pursuant to first proviso of section 139 of companies Act 2013, the company has to place the ratification of appointment of statutory auditors at every Annual General Meeting. But, pursuant to The Companies (Amendment) Act, 2017 dated 3rd January, 2018 and

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commencement of amended provision as per notification dated 07th May, 2018, the provision with respect to ratification of appointment of auditors at every Annual General Meeting was omitted. Hence, the Company is not required to place the shareholders resolution for approval for ratification of the appointment of Statutory Auditors till the conclusion of their tenure i.e., 31st Annual General Meeting of the Company. However, the Remuneration to Statutory Auditors was approved by the members at the 26th AGM only for the financial year 2017 - 18. Hence, the Shareholders Resolution for approving the remuneration for the remaining period of tenure has been placed in the notice of 27th AGM.

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 part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

### **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 2017-18. The Secretarial Audit Report for the Financial Year 2017-18 does not contain any adverse remark, qualification or reservation or disclaimer which requires any explanation/ comments by the Board. The Secretarial Audit Report is forming part of this Annual Report.

### **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 was appointed as the Internal Auditors of the Company for the Financial Year 2017-18.

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.

## COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS

During the Financial Year 2017-18, 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.

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

### A. Conservation of Energy:

Steps taken for conservation	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 for utilizing alternate sources of energy	
Capital investment on energy conservation equipments	

### B. Technology absorption:

Efforts made for technology absorption	Not Applicable
Benefits derived	
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

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### **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. 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 09th February, 2018 to review the performance of the Non-executive directors, Chairman of the Company and performance of the Board as a whole.

### **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 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 Nomination and Remuneration Policy may be accessed on the Company's website at the link: <http://www.elnettechnologies.com/Document/nomination%20and%20remuneration%20policy.pdf>

### **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 behavior, 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 <http://www.elnettechnologies.com/Document/Whistle%20Blower%20Policy.pdf>

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

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

## **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 Standalone Financial Statements of the Company.

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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 - III** to the report.

The policy on Related Party Transactions as approved and can be accessed through weblink.

<http://www.elnettechnologies.com/Document/Related%20Party%20Transaction%20policy.pdf>

### **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: Elnet software city limited (Under liquidation)

### **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. However, members' attention is drawn to the statement on contingent liabilities and commitments in the notes forming part of the Financial Statements.

### **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.

### **DISCLOSURE REGARDING FRAUDS**

The Statutory auditors of the Company has stated that there was no material fraud by the Company or on the Company by its officers or employees was noticed or reported during the course of our audit in their Independent Auditors Report which forms part of this Annual Report. Hence, there is no requirement to report the same to Audit Committee or Board of Directors of the Company

## **PERSONNEL**

Employee relations have been very cordial during the financial year ended 31st March, 2018. 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.

## **ACKNOWLEDGEMENT**

Your Directors wish to express their sincere thanks to the Government of Tamil Nadu, Electronics Corporation of Tamil Nadu Ltd., (ELCOT), Axis Bank - Thiruvanimiyur 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 for their support and co-operation extended during the year. Your Directors also wish to place on record their appreciation for the good work put in by the employees of your Company.

For and on behalf of the Board of Directors,

Place : Chennai  
Date : 25<sup>th</sup> May, 2018

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

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### 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 2017-18:

Name of Directors	Designation	Ratio to median remuneration
Unnamalai Thiagarajan	Managing Director	2.70

- b) Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2017-18

Name	Designation	% increase in remuneration in financial year 2017-18
Unnamalai Thiagarajan	Managing Director	NIL
E. Kamakshi	Chief Financial Officer	3%
T. Joswa Johnson (w.e.f 8th Dec, 2017)	Company Secretary	NA

- c) Percentage increase in the median remuneration of employees in the financial year 2017-18: 2.15%
- d) The number of permanent employees on the rolls of the company:7
- 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:

The average increase in salaries of employees other than managerial personnel in 2017-18 was 4.64%. Percentage increase in managerial remuneration excluding MD for the year was 3.86 % 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.

- B. Information as per Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & 5(3) The Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014 forming part of the Boards Report for the year ended March 31, 2018.

The permanent employees on the roll of the company is less than the requirement of the statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & 5(3) The Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014. Any shareholder interested to obtain the details of the same may send a request to the Company Secretary.

For and on behalf of the Board of Directors,

Place : Chennai  
Date : 25<sup>th</sup> May, 2018

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

## ANNEXURE - II TO BOARD'S REPORT

### Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

### Statement containing salient features of the financial statement of subsidiaries/ associate companies/joint ventures

#### Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	*Elnet software city Limited (Refer note below)
2.	The date since when subsidiary was acquired	
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	
5.	Share capital	
6.	Reserves & surplus	
7.	Total assets	

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Sl. No.	Particulars	Details
8.	Total Liabilities	(Refer note below)
9.	Investments	
10.	Turnover	
11.	Profit before taxation	
12.	Provision for taxation	
13.	Profit after taxation	
14.	Proposed Dividend	
15.	% of shareholding	

- \* (i) The subsidiary company has not commenced its business since incorporation.
- (ii) The voluntary liquidation of the Elnet software city Limited has commenced during the financial year and the assets in the form of cash was also distributed to the shareholders of subsidiary during the year. The necessary e-forms have been filed with Registrar of companies, Chennai. The subsidiary company is ceased to be subsidiary thereon. The Liquidator has made an application for dissolution before the Honorable National Company Law tribunal, Chennai Bench under the provisions of Insolvency and Bankruptcy Code, 2016 read with rules thereon.

### Part “B”: Associates and Joint Ventures - NOT APPLICABLE

For and on behalf of the Board of Directors

As per our Report of even date

**Unnamalai Thiagarajan**  
Managing Director

**G. Chellakrishna**  
Director

**For MSKA & Associates**  
Chartered Accountants

**E. Kamakshi**  
Chief Financial Officer

**T. Joswa Johnson**  
Company Secretary

**Geetha Jeyakumar**  
Partner

Place : Chennai  
Date : 25th May, 2018

## ANNEXURE - III 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.**

Sl. 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% Equity capital of 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	Rs. 8,72,48,312/- (Outstanding as on 31st March 2018 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 Standalone Financial Statements of the Company.

Place : Chennai  
Date : 25<sup>th</sup> May, 2018

For and on behalf of the Board of Directors,  
**Tmt. Unnamalai Thiagarajan**  
Managing Director  
DIN: 00203154

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### ANNEXURE - IV TO BOARD'S REPORT

Form No. MGT-9

#### EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2018

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

#### I. REGISTRATION AND OTHER DETAILS

- |  |   |   |
|--|---|---|
| i. CIN   | : | L72300TN1990PLC019459   |
| ii. Registration Date  | : | 01-08-1990  |
| iii. Name of the Company   | : | Elnet Technologies Limited  |
| iv. Category / Sub-Category of the Company                                     | : | Company Limited by shares / Non-Govt Company  |
| v. Address of the Registered office and contact details                        | : | Elnet Software City<br>TS 140 Block 2&9, Rajiv Gandhi Salai,<br>Taramani, Chennai - 600 113.<br>Email: elnet@md4.vsnl.net.in<br>Contact: 044 22541971 |
| vi. Whether listed company   | : | Yes   |
| vii. Name, Address and Contact details of Registrar and Transfer Agent, if any | : | Cameo Corporate Services Limited<br>"Subramanian Building", 5th Floor, No.1,<br>Club House Road, Chennai - 600 002.                                   |

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

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Real estate activities with own or leased property (Developing & Maintaning software techology park)	68100	100

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

Sl. No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1	Elnet Software city Limited	U45209TN2005PLC055728	Subsidiary	100	2 (87) of Companies Act, 2013

- (i) The subsidiary company has not commenced its business since incorporation.
- (ii) The voluntary liquidation of the Elnet software city Limited has commenced during the financial year and the asset in the form of cash was also distributed to the shareholders of subsidiary. The necessary e-forms have been filed with Registrar of companies, Chennai. The subsidiary company is ceased to be subsidiary thereon. The Liquidator has made an application for dissolution before the Honorable National Company Law tribunal, Chennai Bench under the provisions of Insolvency and bankruptcy code, 2016 read with rules thereon.

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

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

Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	369483	0	369483	9.24	0	0	0	0.00	(9.24)
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt (s)	1040006	0	1040006	26.00	1040006	0	1040006	26.00	0.00
d) Bodies Corp.	704372	0	704372	17.61	704372	0	704372	17.61	0.00
e) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other...	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total (A)(1)</b>	<b>2113861</b>	<b>0</b>	<b>2113861</b>	<b>52.85</b>	<b>1744378</b>	<b>0</b>	<b>1744378</b>	<b>43.61</b>	<b>(9.24)</b>
<b>(2) Foreign</b>									
a) NRIs-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other...	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>2113861</b>	<b>0</b>	<b>2113861</b>	<b>52.85</b>	<b>1744378</b>	<b>0</b>	<b>1744378</b>	<b>43.61</b>	<b>(9.24)</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks/ FI	0	0	0	0.00	369483	0	369483	9.24	9.24
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>369483</b>	<b>0</b>	<b>369483</b>	<b>9.24</b>	<b>9.24</b>
<b>(2) Non-institutions</b>									
a) Bodies Corp.									
i) Indian	124504	9900	134404	3.36	43077	9700	52777	1.32	(2.04)
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	1071008	232072	1303080	32.58	962794	166772	1129566	28.24	(4.34)

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ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	348009	0	348009	8.70	528116	0	528116	13.20	4.50
c) Others (specify)									
IEPF	0	0	0	0	61975	0	61975	1.55	1.55
Hindu undivided Family	60008	0	60008	1.50	78269	0	78269	1.96	0.46
Non Resident Indians	33949	0	33949	0.85	33113	0	33113	0.83	(0.02)
Clearing Member	6696	0	6696	0.17	2330	0	2330	0.06	(0.11)
<b>Sub-Total (B)(2)</b>	<b>1644174</b>	<b>241972</b>	<b>1886146</b>	<b>47.15</b>	<b>1709674</b>	<b>176472</b>	<b>1886146</b>	<b>47.15</b>	<b>0.00</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>1644174</b>	<b>241972</b>	<b>1886146</b>	<b>47.15</b>	<b>2079157</b>	<b>176472</b>	<b>2255629</b>	<b>56.40</b>	<b>9.24</b>
C. Shares held Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>3758035</b>	<b>241972</b>	<b>4000007</b>	<b>100.00</b>	<b>3823535</b>	<b>176472</b>	<b>4000007</b>	<b>100.00</b>	<b>0.00</b>

### (ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Shareholding during the year
		No. of shares	% of total shares of the company	% of Shares Pledged/ encumbered to total shares	No. of shares	% of total shares of the company	% of Shares Pledged/ encumbered to total shares	
1	ELECTRONICS CORPORATION OF TAMILNADU LTD	1040006	26.00	0.00	1040006	26.00	0	0.00
2	STUR TECHNOLOGIES PVT LTD	450000	11.25	0.00	450000	11.25	0	0.00
3	SHANMUGAM THIAGARAJAN	369483	9.24	0.00	0	0	0	(9.24)
4	SOUTHERN PROJECTS MANAGEMENT PVT LTD	254371	6.36	0.00	254371	6.36	0	0.00
5	STUR PROJECTS MANAGEMENT PVT LTD	1	0.00	0.00	1	0.00	0	0.00
<b>Total</b>		<b>2113861</b>	<b>52.84</b>	<b>0.00</b>	<b>1744378</b>	<b>43.61</b>	<b>0</b>	<b>(9.24)</b>

### (iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Date of Increase/ decrease	Reason for Increase/ decrease	No of Shares	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of Shares	% of total Shares of the Company
1	ELECTRONICS CORPORATION OF TAMILNADU LTD	1040006	26.00				1040006	26.00
				-	No Change	0	1040006	26.00
				31-Mar-2018	At the end of the year	0	1040006	26.00
2	STUR TECHNOLOGIES PVT LTD	450000	11.25				450000	11.25
				-	No Change	0	450000	11.25
				31-Mar-2018	At the end of the year	0	450000	11.25

3	SHANMUGAM THIAGARAJAN	369483	9.24				369483	9.24
				20-Mar-2018	Transfer of shares as per the order of DRT-II, Chennai vide order No. DRC No.143/2008 in O.A. No.440/2007 dated 13.03.2018	369483	369483	9.24
				31-Mar-2018	At the end of the year	0	0	0
4	SOUTHERN PROJECTS MANAGEMENT PVT LTD		254371	6.36			254371	6.36
				-	No Change	0	254371	6.36
				31-Mar-2018	At the end of the year	0	254371	6.36
5	STUR PROJECTS MANAGEMENT PVT LTD		1	0.00			1	0.00
				-	No Change	0	1	0.00
				31-Mar-2018	At the end of the year	0	1	0.00

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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Date of Increase decrease	Reason for Increase/ decrease	No of Shares	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of Shares	% of total Shares of the Company
1	IDBI BANK LTD	0	0				0	0.00
				20-Mar-2018	Transfer of shares as per the order of DRT-II, Chennai.	369483	369483	9.24
				31-Mar-2018	At the end of the year	369483	369483	9.24
2	SUBRAMANIAN P	133450	3.34				133450	3.34
				21-Apr-2017	Purchase	900	134350	3.36
				31-Mar-2018	At the end of the year	900	134350	3.36
3	VINAY RAO K	61200	1.53				61200	1.53
				04-Aug-2017	Purchase	1000	62200	1.55
				31-Mar-2018	At the end of the year	1000	62200	1.55
4	IEPF-MCA	0	0				0	0.00
				01-Dec-2017	Transfer of shares to IEPF 2008-09	61675	61675	1.54
				08-Dec-2017	Transfer of shares to IEPF 2008-09	300	61975	1.55
				31-Mar-2018	At the end of the year	61975	61975	1.55

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5	NISHITH RAMESH PARIKH	0	0				0	0.00
				28-Apr-2017	Purchase	2350	2350	0.06
				05-May-2017	Purchase	935	3285	0.08
				12-May-2017	Purchase	5958	9243	0.23
				19-May-2017	Purchase	3596	12839	0.32
				26-May-2017	Purchase	8100	20939	0.52
				02-Jun-2017	Purchase	5884	26823	0.67
				09-Jun-2017	Purchase	2000	28823	0.72
				16-Jun-2017	Purchase	3221	32044	0.80
				23-Jun-2017	Purchase	1356	33400	0.83
				29-Jun-2017	Purchase	4360	37760	0.94
				30-Jun-2017	Purchase	2000	39760	0.99
				07-Jul-2017	Purchase	3143	42903	1.07
				04-Aug-2017	Purchase	1000	43903	1.10
				18-Aug-2017	Purchase	1241	45144	1.13
				25-Aug-2017	Purchase	2134	47278	1.18
				01-Sep-2017	Purchase	1600	48878	1.22
08-Sep-2017	Purchase	3386	52264	1.31				
08-Dec-2017	Sale	(7000)	45264	1.13				
	<b>31-Mar-2018</b>	<b>At the end of the year</b>	<b>45264</b>	<b>45264</b>	<b>1.13</b>			
6	VARSHA RAMESH PARIKH	0	0				0	0.00
				14-Apr-2017	Purchase	3000	3000	0.07
				21-Apr-2017	Purchase	2500	5500	0.14
				28-Apr-2017	Purchase	6000	11500	0.29
				05-May-2017	Purchase	9108	20608	0.52
				12-May-2017	Purchase	8000	28608	0.72
				19-May-2017	Purchase	1000	29608	0.74
				26-May-2017	Purchase	6755	36363	0.91
				02-Jun-2017	Purchase	1000	37363	0.93
				09-Jun-2017	Purchase	190	37553	0.94
				04-Aug-2017	Purchase	4094	41647	1.04
				11-Aug-2017	Purchase	2156	43803	1.10
				06-Oct-2017	Purchase	300	44103	1.10
				10-Nov-2017	Sale	(1000)	43103	1.08
				24-Nov-2017	Sale	(1000)	42103	1.05
				08-Dec-2017	Sale	(2000)	40103	1.00
					<b>31-Mar-2018</b>	<b>At the end of the year</b>	<b>40103</b>	<b>40103</b>
7	MITA DIPAK SHAH JT1 : DIPAK KANAYALAL SHAH JT2 : SHARAD KANAYALAL SHAH	0	0				0	0.00
				28-Apr-2017	Purchase	40000	40000	1.00
					<b>31-Mar-2018</b>	<b>At the end of the year</b>	<b>40000</b>	<b>40000</b>
8	ARUN MITTAL	37803	0.95				37803	0.95
					No Change	0	0	0
					<b>31-Mar-2018</b>	<b>At the end of the year</b>	<b>0</b>	<b>37803</b>

9	PRAVIN KUMAR AGRAWAL	12	0.00				12	0.00
				07-Apr-2017	Purchase	6847	6859	0.17
				14-Apr-2017	Purchase	4	6863	0.17
				21-Apr-2017	Purchase	1	6864	0.17
				28-Apr-2017	Purchase	23136	30000	0.75
				31-Mar-2018	At the end of the year	29988	30000	0.75
10	RAMESH CHAND S	27735	0.69				27735	0.69
					No Change	0	0	0
				31-Mar-2018	At the end of the year	0	27735	0.69

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

Sl. No.	For Each of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Date of Increase decrease	Reason for Increase/ decrease	No of Shares	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of Shares	% of total Shares of the Company
<b>DIRECTORS</b>								
1	UNNAMALAI THIAGARAJAN	500	0.01				500	0.01
					No change	0	500	0.01
				31-Mar-2018	At the end of the year	0	500	0.01
2	CHAKKOLATH RAMACHANDRAN	0	0.00	-		0	0	0.00
					No change	0	0	0.00
				31-Mar-2018	At the end of the year	0	0	0.00
3	RAVI JANAKIRAMAN	0	0.00	-		0	0	0.00
					No change	0	0	0.00
				31-Mar-2018	At the end of the year	0	0	0.00
4	H. KARTHIK SESHADRI	0	0.00	-		0	0	0.00
					No change	0	0	0.00
				31-Mar-2018	At the end of the year	0	0	0.00
5	R. GANAPATHI	0	0.00	-		0	0	0.00
					No change	0	0	0.00
				31-Mar-2018	At the end of the year	0	0	0.00
6	V. DHARMALINGAM	0	0.00	-		0	0	0.00
					No change	0	0	0.00
				31-Mar-2018	At the end of the year	0	0	0.00
7	G. CHELLAKRISHNA	0	0.00	-		0	0	0.00
					No change	0	0	0.00
				31-Mar-2018	At the end of the year	0	0	0.00
8	G. SENRAYAPERUMAL	0	0.00	-		0	0	0.00
					No change	0	0	0.00
				31-Mar-2018	At the end of the year	0	0	0.00

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9	B. EVANESAN	0	0.00	-		0	0	0.00
					No change	0	0	0.00
				31-Mar-2018	At the end of the year	0	0	0.00
10	K. KASIM	0	0.00	-		0	0	0.00
					No change	0	0	0.00
				31-Mar-2018	At the end of the year	0	0	0.00
<b>KEY MANAGERIAL PERSONNEL</b>								
1	E. Kamakshi Chief Financial Officer (w.e.f 9th Feb, 2018)	0	0.00	-		0	0	0.00
					No change	0	0	0.00
				31-Mar-2018	At the end of the year	0	0	0.00
2	T. Joswa Johnson Company Secretary (w.e.f 08th December, 2017)	0	0.00	-		0	0	0.00
					No change	0	0	0.00
				31-Mar-2018	At the end of the year	0	0	0.00

### (v) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Rs. In Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i. Principal amount	0.00	426.34	0.00	426.34
ii. Interest due but not paid	0.00	0.00	0.00	0.00
iii. Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	<b>0.00</b>	<b>426.34</b>	<b>0.00</b>	<b>426.34</b>
<b>Change in Indebtedness during the financial year</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
• Addition				
• Reduction				
<b>Net Change</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Indebtedness at the end of the financial year</b>				
i. Principal amount	0.00	426.34	0.00	426.34
ii. Interest due but not paid	0.00	0.00	0.00	0.00
iii. Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	<b>0.00</b>	<b>426.34</b>	<b>0.00</b>	<b>426.34</b>

**(vi) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Rs. in Lakhs)**

Sl. No.	Particulars of Remuneration	Unnamalai Thiagarajan (Managing Director)
1	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of Perquisites u/s 17(2) Income –tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	14.00 Nil Nil
2	Stock Option	Nil
3	Sweat Equity	Nil
4	Commission -as % of profit -others, specify	Nil
5	Others, please specify	Nil
	<b>Total (A)</b>	<b>14.00</b>
	Ceiling as per the Act	5% of the Net Profit of the Company calculated as per Section 198 of the Companies Act, 2013

**B. Remuneration to other directors: (Amount in Rs.)**

Sl. No.	Name of independent Directors	Fee for attending Board / Committee Meetings	Commission	Others, Please specify	Total (In Rs.)
1	G. Chellakrishna	70000	Nil	Nil	70000
2	H. Karthik Seshadri	2,24,000	Nil	Nil	2,24,000
3	R. Ganapathi	63,000	Nil	Nil	63,000
4	V. Dharmalingam	21,000	Nil	Nil	21,000
5	K. Kasim	70,000	Nil	Nil	70,000
6	G. Senrayaperumal	42,000	Nil	Nil	42,000
	<b>TOTAL (B1)</b>				<b>4,90,000</b>

Sl. No.	Name of Non-Executive Directors	Fee for attending Board / Committee Meetings	Commission	Others, Please specify	Total (In Rs.)
7	C. Ramachandran	2,03,000	Nil	Nil	2,03,000
8	J. Ravi	1,61,000	Nil	Nil	1,61,000
9	R. Sudalaikannan	0	Nil	Nil	0
10	K. Padmanaban	49,000	Nil	Nil	49,000
11	B. Evanesan	14,000	Nil	Nil	14,000
12	Rajendra Kumar	7000	Nil	Nil	7000
	<b>TOTAL (B2)</b>				<b>4,34,000</b>
	<b>TOTAL: B (B1 + B2)</b>				<b>9,24,000</b>
	<b>Total Managerial Remuneration (A+B)</b>				<b>23,24,000</b>

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### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD (Rs. In Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		CFO		CS		
		T. K. Karthik (upto 8th July, 2017)	* E. Kamakshi (w.e.f 09th Feb, 2018)	S. Lakshmi Narasimhan (Upto 10th November, 2017)	T. Joswa Johnson (w.e.f 8th Dec, 2017)	
1	Gross Salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	8.26	8.83	5.95	1.83	24.87
	(b) Value of Perquisites u/s 17(2) Income –tax Act, 1961	0.04	0.15	0.09	0.00	0.28
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0.00	0.00	0.00	0.00	0.00
2	Stock Option	0.00	0.00	0.00	0.00	0.00
3	Sweat Equity	0.00	0.00	0.00	0.00	0.00
4	Commission -as % of profit -others, specify	0.00	0.00	0.00	0.00	0.00
5	Others, please specify	0.46	0.69	3.75	0.15	5.05
	<b>Total</b>	<b>8.76</b>	<b>9.67</b>	<b>9.79</b>	<b>1.98</b>	<b>30.20</b>

\* Remuneration drawn during the financial year 2017 - 18.

### (vii) PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For and on Behalf of the Board of Directors,

Place : Chennai  
Date : 25<sup>th</sup> May, 2018

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

**ANNEXURE - V TO BOARD'S REPORT**

**REPORT ON CORPORATE SOCIAL RESPONSIBILITIES**

**1. A BRIEF OUTLINE OF THE COMPANY'S CSR POLICY, INCLUDING OVERVIEW OF PROJECTS / PROGRAMMES UNDERTAKEN**

As per the Companies Act, 2013, Elnet Technologies Limited has a policy on Corporate Social Responsibility (hereinafter referred as CSR) whereby it is mandatory to spend at least 2% of average net profits of the immediately preceding 3 financial years on "CSR" activities. CSR involves incurring costs that do not provide an immediate financial benefit to the Corporates, but instead promote positive social and environmental change. In line with the above, Elnet's CSR policy is designed keeping in mind the vision, mission, socio economic environment and capacities of the company. The policy on CSR can be viewed on the <http://www.elnettechnologies.com/Document/CSR%20Policy.pdf>

**2. COMPOSITION OF THE CSR COMMITTEE OF THE BOARD**

<b>Sl. No.</b>	<b>Name</b>	<b>Category</b>	<b>Designation</b>
1.	Thiru J. Ravi	Non-Executive Director	Chairman
2.	Thiru H. Karthik Seshadri	Non-Executive Independent Director	Member
3.	Thiru K. Padmanaban (Upto 28th Feb, 2018)	Non-Executive-Nominee Director	Member

**3. AVERAGE NET PROFIT OF THE COMPANY FOR LAST THREE FINANCIAL YEARS**

Average net profit of the Company for last three financial years (2015, 2016 and 2017) calculated in accordance with the provisions of Section 198 of the Companies Act, 2013 is Rs. 1011.52 lacs.

**4. PRESCRIBED CSR EXPENDITURE (TWO PERCENT OF THE AMOUNT AS IN ITEM 3 ABOVE)**

Two percent of the average net profit for last three financial years is Rs. 20.23 Lacs

**5. DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR:**

- a) Total amount to be spent for the financial year: Rs.20.23 Lacs
- b) Amount unspent, if any: NIL

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

CSR Project or activity identified	Sector in which the project is covered	Projects or Programs (1) Local area or other (2) Specify the State and District where projects or program was undertaken	Amount outlay (budget) project or program wise (Rs. In lacs)	Amount spent on the Projects or Programs Sub-heads: (1) Direct Expenditure on projects or programs (2) Overheads (Rs. In lacs)	Cumulative expenditure upto to the reporting period (Rs. In lacs)	Amount spent: Direct or through implementing agency
“PANCHAKAARYA” Education, Health, social welfare	Education, Health, social welfare projects.	Local area Tamilnadu Chennai	20.23	Direct Expenditure 20.26	20.26	Direct
<b>TOTAL</b>			<b>20.23</b>	<b>20.26</b>	<b>20.26</b>	

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

The Board of Directors and its CSR Committee are whole-heartedly committed to fulfilling the Company's CSR vision of aspiring to be a trusted partner while striving to contribute to a safer and better quality of life. The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.

**Tmt Unnamalai Thiagarajan**

Managing Director

DIN: 00203154

**Thiru J. Ravi**

Chairman-CSR Committee

DIN: 00042953

Place: Chennai

Date : 25th May, 2018

**ANNEXURE-VI 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.

**SEGMENTWISE / PRODUCTWISE 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.

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### **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 7 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 are enclosed along with this annual report (please refer page no. 2).

### **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-VII TO BOARD'S REPORT**  
**CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF**  
**CORPORATE GOVERNANCE**

**TO THE MEMBERS OF ELNET TECHNOLOGIES LIMITED**

We have examined the all relevant records of Elnet Technologies Limited ("the Company the purpose of certifying compliance of conditions of Corporate Governance under Chapter IV read with Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 for the financial year ended on March 31, 2018.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in Chapter IV read with Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

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  
S. Bhaskar  
Partner  
ACS No.10798  
CP No. : 8315

Place : Chennai  
Date : 25th May, 2018

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### **REPORT ON CORPORATE GOVERNANCE**

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

The Board and Management of Elnet Technologies Limited believe that operating to the highest level of transparency and integrity in everything we do is integral to the culture of our Company. The Company established the culture of ensuring that all our activities are for the mutual benefit of the Company and all our stakeholders comprising customers, regulators, employees, shareholders and the communities at large to whom the Company is privileged to serve. The Board and management of Elnet Technologies Limited are committed to the highest standards of accountability, transparency, social responsiveness, operational efficiency and good ethics following the strong legacy.

The Company's policies, practices and philosophy adopted since inception are in line with Corporate Governance. These policies, practices are required 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.

The Company is committed to sound Corporate Governance practices and compliance with all applicable laws and regulations. The company has implemented corporate governance practices that go beyond just meeting the letter of law and has not only adopted practices mandated in the Listing Regulations, but also incorporated the relevant non-mandatory recommendations.

#### **2. BOARD OF DIRECTORS**

The Board of Directors 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 on by Tmt 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. All the Directors except the Chairman, Managing Director, Independent Directors and Nominee Directors of M/s. Electronic Corporation of Tamil Nadu Limited are liable to retire by rotation. Annual disclosures have been obtained from all the directors regarding their directorship as at 31st March, 2018 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 are as follows:

<b>Sl. No.</b>	<b>Name of the Director</b>	<b>DIN</b>	<b>Designation</b>	<b>Category</b>
1	Dr. Rajendra Kumar, IAS (Upto 28th August, 2017)	02677079	Chairman and Nominee Director	Non-Executive. (Representing Electronics Corporation of Tamilnadu limited (ELCOT)-26% equity Investor)
2	Thiru R. Sudalaikannan IAS (Upto 20th March, 2018)	03607537	Chairman and Nominee Director	Non-Executive. (Representing Electronics Corporation of Tamilnadu limited (ELCOT)-26% equity Investor)
3	Thiru K. Padmanaban (Upto 28th February, 2018)	00297842	Nominee Director	Non-Executive. (Representing Electronics Corporation of Tamilnadu limited (ELCOT)-26% equity Investor)
4	Thiru M. Vijayakumar IAS., (w.e.f 25th May, 2018)	08128389	Chairman and Nominee Director	Non-Executive. (Representing Electronics Corporation of Tamilnadu limited (ELCOT)-26% equity Investor)
5	Tmt Unnamalai Thiagarajan	00203154	Managing Director	Executive Director & Women Director
6	Thiru C. Ramachandran, IAS (Retd)	00050893	Director	Non-Executive
7	Thiru J. Ravi	00042953	Director	Non-Executive
8	Thiru R. Ganapathi	00210430	Independent Director	Non-Executive
9	Thiru H. Karthik Seshadri	00203319	Independent Director	Non-Executive

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10	Thiru B. Evanesan	02276278	Nominee Director	Non-Executive. (Representing Electronics Corporation of Tamilnadu limited (ELCOT) -26% equity Investor)
11	Thiru G. Senrayaperumal	01458026	Independent Director	Non-Executive
12	Dr. V. Dharmalingam	00585114	Independent Director	Non-Executive
13	Thiru K. Kasim, Retd., IPS	02959356	Independent Director	Non-Executive
14	Thiru G. Chellakrishna	01036398	Independent Director	Non-Executive

### b) Attendance of Directors at Board meetings, last Annual General Meeting (AGM)

SI. No.	Name of the Director	No.of Board Meetings held during their tenure	No.of Board Meetings attended	Attendance at the last AGM
1	Dr. Rajendra Kumar, IAS (Upto 28th August, 2017)	2	1	No
2	Thiru R. Sudalaikannan IAS (Upto 20th March, 2018)	2	0	No
3	Tmt Unnamalai Thiagarajan	5	4	No
4	Thiru C. Ramachandran, IAS, (Retd.)	5	4	Yes
5	Thiru J. Ravi	5	5	Yes
6	Thiru R. Ganapathi	5	2	No
7	Thiru H. Karthik Seshadri	5	3	Yes
8	Thiru K. Padmanaban (Upto 28th February, 2018)	5	4	Yes
9	Thiru G. Senrayaperumal	5	5	Yes
10	Dr. V. Dharmalingam	5	2	No
11	Thiru K. Kasim, IPS (Retd)	5	5	Yes
12	Thiru G. Chellakrishna	5	5	Yes
13	Thiru B. Evanesan	5	2	Yes

**c) Number of Directorship(s) and Chairmanship(s) / Membership(s) of Committees of each Director in other companies**

Sl. No.	Name of the Director	*Number of Directorship	**Number of Membership	***Number of Chairmanship
1	Dr. Rajendra Kumar, IAS (Upto 28th August, 2017)	1	0	0
2	Thiru R. Sudalaikannan IAS (Upto 20th March, 2018)	1	0	0
3	Tmt Unnamalai Thiagarajan	1	0	0
4	Thiru C. Ramachandran, IAS, (Retd.)	3	7	4
5	Thiru J. Ravi	1	0	0
6	Thiru R. Ganapathi	4	7	0
7	Thiru H. Karthik Seshadri	1	2	0
8	Thiru K. Padmanaban (Upto 28th February, 2018)	1	0	0
9	Thiru G. Senrayaperumal	1	0	0
10	Dr. V. Dharmalingam	1	1	0
11	Thiru K. Kasim, IPS (Retd)	1	1	0
12	Thiru G. Chellakrishna	2	2	2
13	Thiru B. Evanesan	1	0	0

**Notes:**

\* Number of Directorship held denotes No of Directorship in listed entities including this Elnet Technologies limited.

\*\* Number of memberships denotes membership in Audit/Stakeholder relationship Committee in all public limited companies (including Elnet Technologies limited).

\*\*\* Number of chairmanship denotes chairmanship in Audit/Stakeholder relationship Committee in listed companies (including Elnet Technologies limited).

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

During the financial year ended 31st March 2018, 5 (five) board meetings were held viz., 12th May 2017, 06th July, 2017, 07th September, 2017, 08th December, 2017 and 09th February, 2018. The maximum interval between any two meetings was well within the maximum allowed gap of 120 days.

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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 are not included in the agenda are tabled at the meeting. The Board taking on record the actions taken by the company on all its decisions periodically.

The Board also taking 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 following 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 members are 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 31st March 2018 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.elnettechnoloiges.com](http://www.elnettechnoloiges.com).

### **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 2017-18

#### **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 judgment 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

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### (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 for the financial year ended 31st March 2018 as follows.

Sl. No.	Name	Position	Category
1	Thiru G Chellakrishna	Chairman	Non-Executive, Independent Director
2	Thiru C Ramachandran IAS Retd.,	Member	Non-Executive-Director
3	Thiru R Ganapathi	Member	Non-Executive, Independent Director
4	Thiru H Karthik Seshadri	Member	Non-Executive, Independent Director
5	Thiru K Padmanaban (Upto 28th February, 2018)	Member	Non-Executive, Nominee Director
6	Thiru K Kasim IPS (Retd)	Member	Non-Executive, Independent Director

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

Sl. No.	Name	Position	Number of Meetings held	Number of meetings attended
1	Thiru G Chellakrishna	Chairman	4	4
2	Thiru C Ramachandran IAS Retd.,	Member	4	3
3	Thiru R Ganapathi	Member	4	2
4	Thiru H Karthik Seshadri	Member	4	3
5	Thiru K Padmanaban	Member	4	3
6	Thiru K Kasim IPS (Retd)	Member	4	4

The Company Secretary acts as the Secretary to the Committee. Mrs. E. Kamakshi Chief Financial Officer and Mrs. Geetha Jeyakumar, Partner of M/s. MSKA& Associates, statutory Auditors of the Company are regular invitees to the meeting. The Chairman of the Audit Committee was present at the Company's Annual General Meeting held on 06th July, 2017 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**

Sl. No.	Name	Position	Category
1	Thiru R. Ganapathi	Chairman	Non-Executive, Independent Director
2	Thiru C Ramachandran, IAS (Retd)	Member	Non-Executive, Director
3	Thiru H Karthik Sheshadri	Member	Non-Executive, Independent Director

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

Sl. No.	Name	Position	Number of Meetings held	Number of Meetings Attended
1	Thiru R. Ganapathi	Chairman	2	1
2	Thiru C Ramachandran, IAS (Retd)	Member	2	2
3	Thiru H Karthik Sheshadri	Member	2	2

**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 as per the following

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- a. Attendance at Meetings - attendance at Board Meetings, General and Committee meetings.
- b. 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 judgment, 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. REMUNERATION TO DIRECTORS**

#### **a) Pecuniary relationship or transaction of the Non-executive Directors**

There were no other pecuniary relationships or transactions of the non-executive directors' vis-à-vis the company during the Financial Year ended 31st March, 2018 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 through weblink.

<http://www.elnettechnologies.com/Document/nomination%20and%20remuneration%20policy.pdf>

#### **c) Disclosure with respect to remuneration**

Disclosures with respect to remuneration paid during the financial year ended 31st March, 2018 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 31st March 2018 are given below.

Sl. No.	Name of the Non-Executive Director	Sitting Fee paid for Board and Committee meetings (In. Rs.)
1	*Dr. Rajendra Kumar, IAS (Upto 28th August, 2017)	7000
2	*Thiru R. Sudalaikannan IAS (8.12.2017 to 20.03.2018)	-
3	Thiru C. Ramachandran, IAS, (Retd.)	203000
4	Thiru J. Ravi	161000
5	Thiru R. Ganapathi	63000
6	Thiru H. Karthik Seshadri	224000
7	*Thiru K. Padmanaban (Upto 28.02.2018)	49000
8	Thiru G. Senrayaperumal	42000
9	Dr. V. Dharmalingam	21000
10	Thiru K. Kasim, IPS (Retd.,)	70000
11	Thiru G. Chellakrishna	70000
12	*Thiru B. Evanesan	14000

\*The sitting fees paid to the Nominee directors were paid in the name of Nominating authority Electronics Corporation of Tamilnadu Limited.

### Remuneration to Executive Directors

Tmt Unnamalai Thiagarajan is the Managing Director of the Company. The remuneration paid to her during the financial year was approved by the Board on the recommendation of Nomination and remuneration committee. Also the same was approved by the members of the company at the 23rd Annual General Meeting of the company held on 17th July, 2014.

Total remuneration paid to Tmt Unnamalai Thiagarajan, Managing Director, during the Financial Year 2017-18 was Rs. 14,00,000/-. No other perquisites or other allowances were paid.

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### Disclosures with respect to remuneration paid during the financial year ended 31st March, 2018 as per SEBI (LODR) Regulations, 2015

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

The appointment of directors is 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 31st March 2018, none of the executive and non-executive directors were issued/granted employee stock options of the Company.

### 6) STAKEHOLDERS RELATIONSHIP COMMITTEE

#### a) Composition of the Committee and attendance

Sl. No.	Name of the Members of Stakeholders' Relationship Committee	Position	Number of Meetings held	Number of Meetings Attended
1	Thiru C Ramachandran, IAS (Retd)	Chairman	4	3
2	Thiru R.Ganapathi	Member	4	3
3	Thiru H.Karthik Sheshadri	Member	4	4

The Chairman of the Committee was present at the Company's 26th Annual General Meeting held on 06th July, 2017 to answer the shareholders' queries.

#### b) Name and designation of Compliance Officer

Mr. S. Lakshmi Narasimhan, Company Secretary and Compliance Officer (Key Managerial Personnel) resigned from the services of the Company after the closure of business hours on 10th November, 2017.

In his place, Mr. T. Joswa Johnson was appointed as the Company Secretary and Compliance Officer (Key Managerial Personnel) of the Company with effect from 08th December, 2017.

#### 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.

### Status of Shareholders complaints/grievances

The following were the status of Shareholders complaints during the financial year ended 31st March 2018.

SI. 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 31st March 2018.

### Other queries received and redressed during the financial year 2017-18

SI. No.	Nature of Complaints	Number of Queries Received (In Nos.)	Number of Queries Redressed (In Nos.)
1	Revalidation of dividend warrant	10	10
2	Issue of duplicate share certificate, transfer & transmission	17	17
3	General queries	5	5
4	Change of address	2	2

### OTHER COMITTEES

#### 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:

SI. No.	Name	Position	Category
1	Thiru. J.Ravi	Member	Non-Executive Director
2	Thiru. H. Karthik Seshadri	Member	Non-Executive Independent Director
3	Thiru. C. Ramachandran, IAS	Member	Non-Executive Director

## TWENTY SEVENTH ANNUAL REPORT 2017 - 18

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The committee also reviews the performance of the Registrar and Share Transfer Agents. The committee met 18 (Eighteen) times during the year 2017-18.

The meetings of share Transfer Committee are held whenever the necessity arises. Transfer of shares are processed and registered within the stipulated time subject to the availability of all required valid documents and completed in all respects. As on 31st March, 2018, there were no share transfers pending for registration for more than 30 days.

### 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.

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

During the financial year, the committee met one time on 07th September, 2017.

### 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 committee consists of following members.

SI. No.	Name of the Members of Corporate Social Responsibility Committee	Position	Number of Meetings held	Number of meetings attended
1	Thiru J. Ravi	Chairman	1	1
2	ThiruK. Padmanaban (Upto 28th February, 2018)	Member	1	0
3	Thiru H.Karthik Sheshadri	Member	1	1

Mr. S. Lakshmi Narasimhan Company Secretary, who resigned from the Company after the closure of business hours on 10th November, 2017 was Secretary to the Committee.

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

1. Formulate and recommend to the Board, a CSR policy which shall indicate 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.

During the financial year ended 31st March 2018, the Corporate Social Responsibility committee met one time on 07th September, 2017.

### **MEEITNG OF INDEPENDENT DIRECTORS**

During the financial year ended 31st March 2018, the Independent Directors met on 9th February 2018 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 timelines 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 Thiru. R. Ganapathi and Thiru H. Karhik Seshadri.

### **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>
New Woodlands Hotel Pvt. Ltd., Chennai.	06th July, 2017	11.00 AM	Appointment of Statutory auditors
New Woodlands Hotel Pvt. Ltd., Chennai.	15th June 2016	11.00 AM	Appointment of Statutory auditors
New Woodlands Hotel Pvt. Ltd., Chennai.	08th July, 2015	11.00 AM	Appointment of Statutory auditors

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

### **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 31st March, 2018 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, halfyearly and annual audited financial results are normally published in leading daily newspapers, viz. Business Standard (English-National daily newspaper) and Malaisudar (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 made to investors or to the analysts during the financial year ended 31st March, 2018.

## 9. GENERAL SHAREHOLDER INFORMATION

### a) Annual General Meeting

<b>Date and time</b>	9th August, 2018 at 11 A.M
<b>Venue</b>	New Woodlands Hotel Pvt. Ltd No.72-75, Dr. RadhakrishnanSalai, Mylapore, Chennai-600 004.
<b>Book Closure Date</b>	Saturday, 28th day of July, 2018 to Thursday, 9th day of August, 2018 (both days inclusive)

### b) Financial year

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

#### Calendar of financial year 2017-18

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 31stMarch, 2018 were held on the following dates.

First Quarter Results	07th September, 2017
Second Quarter and Half yearly Results	08th December, 2017
Third Quarter Results	09th February, 2018
Fourth Quarter and Annual Results	25th May, 2018

#### Tentative Calendar for financial year 2018-19

The tentative month of meeting of Board of Directors for consideration of quarterly/Half yearly/ Annually financial results for the financial year ending 31stMarch, 2019 are as follows:

First Quarter Results	Not later than 14th August 2018
Second Quarter and Half yearly Results	Not later than 14th November 2018
Third Quarter Results	Not later than 14th February 2019
Fourth Quarter and Annual Results	Not later than 30th May 2019

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### c) Dividend payment date

#### Payment of Dividend during the financial year 2017-18

Date of declaration	6th July, 2017
Rate of dividend	14%
Book Closure Date	Friday, 30th June, 2017 to Thursday, 06th July, 2017 (both days inclusive)
Date of payment of dividend	26th July, 2017
Amount of dividend paid	Rs. 1.40/- per equity shares of face value Rs. 10 each/-

#### Proposed final Dividend for the financial year ended 31st March, 2018.

Date of declaration	9th August, 2018
Rate of dividend	15%
Book Closure Date	Saturday, 28th day of July, 2018 to Thursday, 9th day of August, 2018 (both days inclusive)
Date of payment of dividend	The proposed dividend, if so approved, will be paid within 30 days from the date of declaration to the members whose names appear on the Register of Members at end of the day on 27th July, 2018.
Amount of dividend paid	Rs. 1.50/- per equity shares of face value Rs. 10 each/-

### 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 2018-19 was paid on 4th April, 2018.

### e) Stock Code

**BSE- 517477**

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

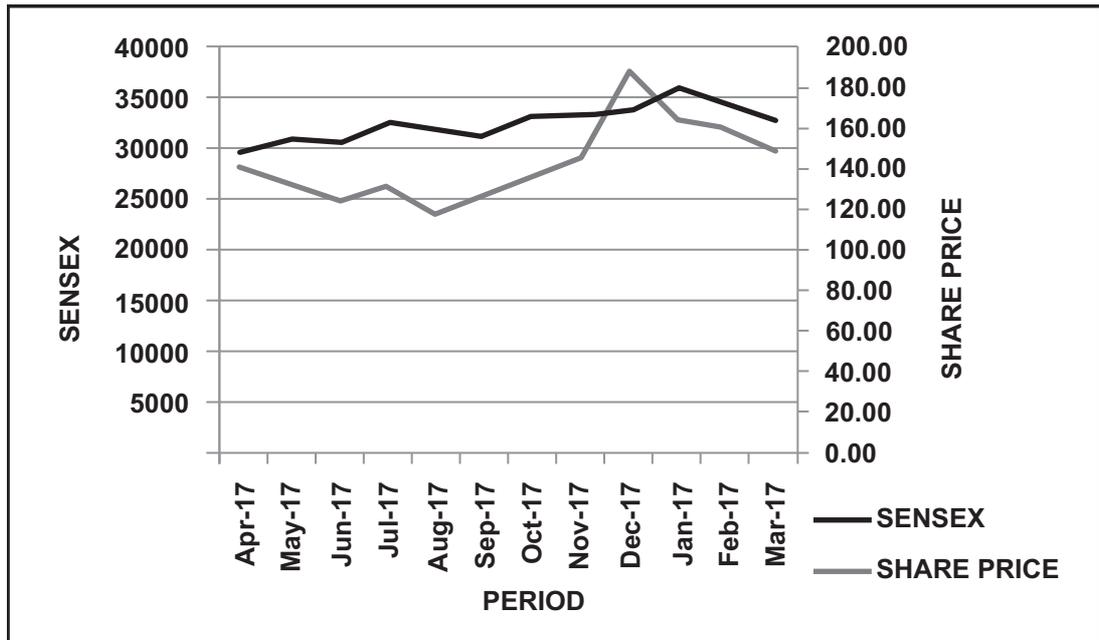
(Share Price in Rs.)

MONTH	HIGH	LOW	VOUME
Apr-17	154.00	125.00	223635
May-17	146.90	130.10	127411
Jun-17	135.70	120.00	71336
Jul-17	148.60	128.10	62879
Aug-17	134.20	113.00	63490

Sep-17	148.00	118.55	108455
Oct-17	139.90	126.25	54618
Nov-17	159.00	134.20	89742
Dec-17	204.00	143.00	355104
Jan-18	195.95	162.50	106557
Feb-18	187.95	141.20	68675
Mar-18	167.90	133.5	48199

**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) Registrar and share transfer Agent**

Cameo Corporate Services Ltd

"Subramanian Building"

# 1, Club House Road, Chennai 600 002.

Ph:-044 - 2846 0390 (5 lines); Fax:-044 - 2846 0129

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### j) Share transfer system

The majority of Company's equity shares i.e., 95.58% are in demat format as on 31st March, 2018. 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 both 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 shareholdingas on 31st March, 2018

Range	Number of Shareholders	% of Total Shareholders	Shares	% of Total Share Capital
1-100	3800	68.7658	249977	6.2494
101-500	1311	23.7242	352875	8.8218
501-1000	200	3.6192	159396	3.9848
1001-2000	105	1.9001	158734	3.9683
2001-3000	37	0.6695	93662	2.3415
3001-4000	20	0.3619	70202	1.7550
4001-5000	15	0.2714	71033	1.7758
5001-10000	16	0.2895	129877	3.2469
Above 10000	22	0.3981	2714251	67.8561
<b>Total</b>	<b>5526</b>	<b>100.000</b>	<b>4000007</b>	<b>100.0000</b>

### Shareholding Pattern as on 31st March 2018

Category	No. of Shares	Percentage
<b>Promoters</b>		
Promoters	1744378	43.61
<b>Subtotal (A)</b>	<b>1744378</b>	<b>43.61</b>
<b>NRIs/OCBs</b>		
Foreign Company	0	0.00
Foreign Nationals	0	0.00
Non Resident Indians	33113	0.83
Foreign Institutional Investors	0	0.00
Foreign Portfolio Investor	0	0.00
<b>Subtotal (B)</b>	<b>33113</b>	<b>0.83</b>
<b>Others</b>		
Clearing Members	2330	0.06
Private Corporate Bodies	52777	1.32
Mutual Funds	0	0.00
Financial Institutions (Bank)	369483	9.24
Public	1657682	41.44
HUF	78269	1.96
IEPF	61975	1.55
<b>Subtotal (C)</b>	<b>2222516</b>	<b>55.57</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 31st March, 2018, representing 95.58% of total Equity Share Capital of the Company were held in dematerialized form.

Mode of holding	As on 31st March, 2018		As on 31st March, 2017	
	No. ofShares	% toEquity	No. ofShares	% toEquity
NSDL	33,30,159	83.25	28,72,111	72.00
CDSL	4,93,376	12.33	8,85,924	22.00
PHYSICAL	1,76,472	4.41	2,41,972	6.00
<b>TOTAL</b>	<b>40,00,007</b>	<b>100.00</b>	<b>4000007</b>	<b>100.00</b>

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### **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**

T. Joswa Johnson  
Company Secretary & Compliance Officer  
Contact No. : 91 - 44 - 2254 1098 / 2254 1337 / 2254 1791  
Fax No. : 91 - 44 - 2254 1955  
E-mail: elnet@md4.vsnl.net.in

### **Transfer of Unpaid/ Unclaimed Dividend Amount/ Shares to Investor Education and Protection Fund (IEPF)**

Pursuant to sec. 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.

MCA issued notification dated 16th October, 2017 wherein the seven consecutive years expired as per section 124 of the Companies Act, 2013 during 7th September, 2016 to 31st October, 2017 the shares pertaining to the dividend have to be transferred to IEPF account.

In compliance with the provision, during the financial year 2017-18 the Company had sent individual notices to the eligible shareholders and advertised in the newspapers (Business standard - Leading English Newspaper All India edition and Malai sudar- 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 31st March, 2009 and 31st March, 2010. 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 31st March, 2010 to IEPF authority.

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.

#### **Transfer of Unpaid/ Unclaimed Dividend Amount/ Shares pertaining to the dividend declared financial year ended 31st March, 2011 to 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”), the due date for transfer of unpaid/unclaimed dividend amount and corresponding shares for the dividend declared financial year ended 31st March, 2011 is 31st July, 2018. Hence, the company has made a necessary advertisement in newspaper and issued the individual intimation letter to the eligible shareholders. 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 2018). Members are requested to ensure that they claim the dividends and shares referred above, before they are transferred to the said Fund on the cutoff date 31st July, 2018.

#### **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.

## TWENTY SEVENTH ANNUAL REPORT 2017 - 18

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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 [elnet@md4.vsnl.net.in](mailto:elnet@md4.vsnl.net.in). 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 newspaper 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 <http://www.elnettechnologies.com/Document/Related%20Party%20Transaction%20policy.pdf>

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

Not applicable

**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.

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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 [PIs 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, 2018 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 with the Boards Report as Annexure-VII.**

### **CEO/CFO Certification**

As required under Regulation 17 of the SEBI Listing Regulations, the CEO/CFO Certification on Standalone and Consolidated financial statements of the company for the financial year ended 31st March 2018 signed by Tmt Unnamalai Thiagrajan, Managing Director and Tmt E. Kamakshi, CFO was placed before the Board of Directors of the Company at their meeting held on Friday, 25th May, 2018.

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## **COMPLIANCE WITH CODE OF CONDUCT**

This is to certify that your Company has in place a Code of Conduct applicable to the Board Members as well as the Senior Management Personnel and that the same has been hosted on the Company's website. All the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the FY 2017-18.

Place : Chennai  
Date : 25<sup>th</sup> May, 2018

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

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2018**

[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 - 600113

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ELNET TECHNOLOGIES LIMITED,(hereinafter called “the company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the ELNET TECHNOLOGIES LIMITED’s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorised representatives during the conduct of secretarial audit and as per the explanations given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 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, 2018 according to the applicable provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iii. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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- iv. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.
  - d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- v. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

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

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

Secretarial Standards issued by The Institute of Company Secretaries of India.

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

During the year under review Ms. Kamakshi Ethiraj was appointed as the Chief Financial Officer in place of Mr. T.K. Karthik in the board meeting held on 9th February, 2018 after the expiration of stipulated vacancy period.

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

- (i) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

- (ii) the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (iii) the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (iv) the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998
- (v) the Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (vi) the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

**We further report that**

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

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

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

We further report that during the audit period, the company has:

**1. Appointment of Statutory Auditors:**

The Company has appointed M/s MSKA & Associates, Chartered Accountants as statutory Auditors of the Company at the Annual General Meeting held on 06th July 2017.

**2. Changes in Board of Directors and Key Managerial Personal**

During the year review

A) The Nominee directors Dr.Rajendra Kumar IAS, Thiru. R.Sudalaikannan, IAS, Thiru K.Padmanabhan resigned from the board of directors of the Company due to nomination withdrawn by the appointing authority (ELCOT)

B) There were resignation and appointment of CFO and CS took place.

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### 3. Changes in promoter shareholding:

During the year under review , the shareholding of the promoters has been reduced from 52.85% to 43.61%.

### 4. Declaration of Dividend:

The Company has declared dividend of 14% which was approved at the Annual general meeting held on 06th July 2017

### 5. Voluntary liquidation of Subsidiary Company M/s. Elnet software city limited

The voluntary liquidation of the subsidiary has been completed. The necessary e-forms have been filed with Registrar of companies, Chennai. Currently the liquidator has made an application for dissolution before the Honorable National Company Law tribunal, Chennai Bench under the provisions of Insolvency and bankruptcy code, 2016 read with rules thereon.

For BP & Associates  
Company Secretaries

Place : Chennai  
Date : 25<sup>th</sup> May, 2018

S.Bhaskar  
Partner  
M. No: 10798  
C.P. No: 8315

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## ANNEXURE (I)

To

The Members,

**ELNET TECHNOLOGIES LIMITED,**

TS 140 BLOCK 2 & 9,CPT ROAD

TARAMANI, CHENNAI - 600113

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

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

For BP & Associates  
Company Secretaries

Place : Chennai  
Date : 25<sup>th</sup> May, 2018

S.Bhaskar  
Partner  
M. No: 10798  
C.P. No: 8315

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### INDEPENDENT AUDITORS' REPORT

#### To The Members of Elnet Technologies Limited

#### Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS financial statements of **Elnet Technologies Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended, and the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

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

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

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### **Other Matter**

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 01, 2016 included in these Standalone Ind AS financial statements, are based on the statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31, 2017 and March 31, 2016 dated May 12, 2017 and May 06, 2016 respectively expressed an unmodified opinion on those financial statements, and have been restated to comply with Ind AS. Adjustments made to the previously issued said financial information prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS have been audited by us.

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Our opinion on the Standalone Ind AS financial statements is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

1. 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 Cash Flow and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - (g) With respect to the other matters to be included in the Auditors' 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 Standalone Ind AS financial statements – Refer Note 35 to Standalone Ind AS 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.
2. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of sub-section 11 of section 143 of the Act, we give in the 'Annexure B', a statement on the matters specified in paragraphs 3 and 4 of the Order.

For MSKA & Associates (Formerly known as MZSK & Associates)  
Chartered Accountants  
(Firm's Registration No. 105047W)

Place : Chennai  
Date : 25<sup>th</sup> May, 2018

Geetha Jeyakumar  
Partner  
Membership No. 29409

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

[Referred to in paragraph 1(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 over financial reporting of **Elnet Technologies Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

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

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (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 Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, 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 adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding

of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' 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 system over financial reporting.

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

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

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

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were

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operating effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting 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.

For MSKA & Associates (Formerly known as MZSK & Associates)  
Chartered Accountants  
(Firm's Registration No. 105047W)

Place : Chennai  
Date : 25<sup>th</sup> May, 2018

Geetha Jeyakumar  
Partner  
Membership No. 29409

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

[Referred to in paragraph 2 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.  
  
(b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.  
  
(c) According to the information and explanation given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold and leasehold, are held in the name of the Company as at the balance sheet date.
- 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 complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder.
- 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 services 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

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appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, Goods and Services tax, income-tax, sales-tax, service tax, cess, and any other statutory dues applicable to it.

(b) There were no undisputed amounts payable in respect of provident fund, employees' state insurance, Goods and Services tax, income-tax, sales-tax, service tax, cess and other material statutory dues in arrears as at March 31, 2018 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 Services tax, sales-tax, service tax, value added 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. According to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For MSKA & Associates (Formerly known as MZSK & Associates)  
Chartered Accountants  
(Firm's Registration No. 105047W)

Place : Chennai  
Date : 25<sup>th</sup> May, 2018

Geetha Jeyakumar  
Partner  
Membership No. 29409

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<b>Balance Sheet as at March 31, 2018</b>				
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)				
Particulars	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	4	2,251.52	2,285.79	2,550.37
Capital work in progress	5	36.91	-	-
<b>Financial assets</b>				
Investments	6	804.49	735.97	707.98
Other financial assets	7	1,144.74	2,607.70	958.22
Income Tax Assets (Net)	8	75.93	114.48	154.15
<b>Total non-current assets</b>		<b>4,313.59</b>	<b>5,743.94</b>	<b>4,370.72</b>
<b>Current assets</b>				
<b>Financial assets</b>				
Trade receivables	9	235.52	231.19	182.99
Cash and cash equivalents	10	425.10	454.68	383.87
Bank balances other than above	11	3,597.24	1,243.64	2,083.64
Other financial assets	12	223.03	101.00	89.32
Other current assets	13	42.08	32.15	38.48
<b>Total current assets</b>		<b>4,522.97</b>	<b>2,062.66</b>	<b>2,778.30</b>
<b>Total Assets</b>		<b>8,836.56</b>	<b>7,806.60</b>	<b>7,149.02</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	14	400.00	400.00	400.00
Other equity	15	6,375.84	5,512.49	4,809.60
<b>Total equity</b>		<b>6,775.84</b>	<b>5,912.49</b>	<b>5,209.60</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
Other financial liabilities	16	195.47	255.11	233.32
Provisions	17	10.42	16.40	13.14
Deferred Tax Liabilities (net)	18	62.48	63.31	94.85
<b>Total non-current liabilities</b>		<b>268.37</b>	<b>334.82</b>	<b>341.31</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings	19	426.34	426.34	426.34
Trade payables	20	18.12	10.35	67.43
Other financial liabilities	21	1,331.89	1,099.77	1,081.05
Provisions	22	3.49	9.61	6.92
Other current liabilities	23	12.51	13.22	16.37
<b>Total current liabilities</b>		<b>1,792.35</b>	<b>1,559.29</b>	<b>1,598.11</b>
<b>Total liabilities</b>		<b>2,060.72</b>	<b>1,894.11</b>	<b>1,939.42</b>
<b>Total Equity and Liabilities</b>		<b>8,836.56</b>	<b>7,806.60</b>	<b>7,149.02</b>

The accompanying notes form an integral part of the financial statements

### For and on Behalf of the Board

**Unnamalai Thiagarajan**  
Managing Director

**G. Chellakrishna**  
Director

**E. Kamakshi**  
Chief Financial Officer

**T. Joswa Johnson**  
Company Secretary

As per our Report of even date

**For MSKA & Associates**  
Chartered Accountants

**Geetha Jeyakumar**  
Partner

Place : Chennai  
Date : 25th May, 2018

**Statement of profit and loss for the year ended March 31, 2018**  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>A Income</b>			
Revenue from operations	24	2,221.37	2,266.60
Other income	25	366.96	262.09
<b>Total income</b>		<b>2,588.33</b>	<b>2,528.69</b>
<b>B Expenses</b>			
Employee benefits expense	26	111.30	176.51
Depreciation and amortisation expense	27	279.92	329.78
Other expenses	28	941.52	791.92
Finance costs	29	19.29	20.07
<b>Total expenses</b>		<b>1,352.03</b>	<b>1,318.28</b>
<b>C Profit before exceptional items and tax</b>		<b>1,236.30</b>	<b>1,210.41</b>
Exceptional items	30	(3.15)	(4.42)
<b>D Profit before tax from continuing operations</b>		<b>1,233.15</b>	<b>1,205.99</b>
Income tax expense	31		
Current tax		346.39	454.73
Deferred tax		(13.14)	(32.22)
<b>E Profit for the year</b>		<b>899.90</b>	<b>783.48</b>
<b>F Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment benefit obligations		2.75	1.93
Effect of measuring investments at fair value		41.75	-
Income tax relating to these items		(12.28)	(0.67)
<b>Other comprehensive income for the year, net of tax</b>		<b>32.23</b>	<b>1.26</b>
<b>Total comprehensive income for the year</b>		<b>932.13</b>	<b>784.74</b>
<b>Earnings per share</b>	32		
Basic earnings per share		22.50	19.59
Diluted earnings per share		22.50	19.59

The accompanying notes form an integral part of the financial statements

**For and on Behalf of the Board**

**Unnamalai Thiagarajan**  
Managing Director

**G. Chellakrishna**  
Director

**E. Kamakshi**  
Chief Financial Officer

**T. Joswa Johnson**  
Company Secretary

As per our Report of even date

**For MSKA & Associates**  
Chartered Accountants

**Geetha Jeyakumar**  
Partner

Place : Chennai  
Date : 25th May, 2018

## TWENTY SEVENTH ANNUAL REPORT 2017 - 18

<b>Statement of Changes in Equity for the year ended March 31, 2018</b> (All amounts are in lakhs of Indian Rupees, unless otherwise stated)						
(A) Equity Share Capital	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	
Balance at the beginning of April 1, 2016			400.00			
Changes in equity share capital during the year			-			
Balance at the end of March 31, 2017			400.00			
Changes in equity share capital during the year			-			
Balance at the end of March 31, 2018			400.00			
(B) Other Equity	Particulars			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 April 1, 2016</b>	<b>2,712.21</b>	<b>2,071.64</b>	<b>25.75</b>	-	-	<b>4,809.60</b>
Additions/ (deductions) during the year	200.00	(281.85)	-	1.26	-	(80.59)
Profit for the year	-	783.48	-	-	-	783.48
<b>Balance as at March 31, 2017</b>	<b>2,912.21</b>	<b>2,573.27</b>	<b>25.75</b>	<b>1.26</b>	-	<b>5,512.49</b>
Additions/ (deductions) during the year	-	(67.40)	-	1.13	29.71	(36.56)
Profit for the year	-	899.90	-	-	-	899.90
<b>Balance as at March 31, 2018</b>	<b>2,912.21</b>	<b>3,405.77</b>	<b>25.75</b>	<b>2.40</b>	<b>29.71</b>	<b>6,375.84</b>

The accompanying notes form an integral part of the financial statements

### For and on Behalf of the Board

**Unnamalai Thiagarajan**  
Managing Director

**E. Kamakshi**  
Chief Financial Officer

Place : Chennai  
Date : 25th May, 2018

**G. Chellakrishna**  
Director

**T. Joswa Johnson**  
Company Secretary

As per our Report of even date  
**For MSKA & Associates**  
Chartered Accountants

**Geetha Jayakumar**  
Partner

**Statement of cash flows for the year ended March 31, 2018**

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Cash Flow From Operating Activities</b>		
Profit before income tax	1,233.15	1,205.99
Adjustments for		
Depreciation and amortisation expense	279.92	329.78
Provision for diminution in Investment	3.15	4.42
(Profit)/Loss on sale of fixed asset	(0.43)	0.49
Fair value change of investments through profit and loss	(32.35)	(32.41)
Provision/ (Reversal) for Employee Benefits	(13.42)	5.95
Interest Income on deposits	(326.31)	(227.75)
Finance costs	19.29	20.07
	1,163.00	1,306.54
Change in operating assets and liabilities		
(Increase)/ decrease in Other financial assets	1,462.96	(1,649.48)
(Increase)/ decrease in trade receivables	(4.33)	(48.20)
(Increase)/ decrease in Other assets	(9.93)	6.33
Increase/ (decrease) in provisions and other liabilities	174.52	39.30
Increase/ (decrease) in trade payables	7.76	(57.08)
Cash generated from operations	2,793.98	(402.59)
Less : Income taxes paid (net of refunds)	(307.84)	(415.06)
<b>Net cash from / (used in) operating activities (A)</b>	<b>2,486.14</b>	<b>(817.65)</b>
<b>Cash Flows From Investing Activities</b>		
Acquisition of property plant and equipment and Capital work-in-progress	(284.98)	(73.08)
Purchase of Investments	2.43	-
Proceeds from disposal of Property, plant and equipment and Capital work-in-progress	2.85	7.39
(Investments in) / Maturity of fixed deposits with banks more than 3 months	(2,353.60)	840.00
Interest Received on Deposits	204.28	216.07
<b>Net cash (used in) / from investing activities (B)</b>	<b>(2,429.02)</b>	<b>990.38</b>
<b>Cash Flows From Financing Activities</b>		
Finance costs	(19.29)	(20.07)
Dividend paid	(56.00)	(68.00)
Tax on dividend	(11.40)	(13.85)
<b>Net cash used in financing activities (C)</b>	<b>(86.69)</b>	<b>(101.92)</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>(29.58)</b>	<b>70.81</b>
Cash and cash equivalents at the beginning of the financial year	454.68	383.87
<b>Cash and cash equivalents at end of the year</b>	<b>425.10</b>	<b>454.68</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	39.93	19.56
- In Deposit Account (maturing within 3 months)	385.00	435.00
Cash on hand	0.17	0.12
	<b>425.10</b>	<b>454.68</b>

**For and on Behalf of the Board**

**Unnamalai Thiagarajan**  
Managing Director

**G. Chellakrishna**  
Director

**E. Kamakshi**  
Chief Financial Officer

**T. Joswa Johnson**  
Company Secretary

As per our Report of even date

**For MSKA & Associates**  
Chartered Accountants

**Geetha Jeyakumar**  
Partner

Place : Chennai  
Date : 25th May, 2018

## **TWENTY SEVENTH ANNUAL REPORT 2017 - 18**

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### **Notes to Standalone Financial Statements for the year ended March 31, 2018**

#### **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**

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

##### **Basis of preparation and presentation**

For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

The financial statements for the year ended March 31, 2018 are the first financial statements the Company has prepared in accordance with Ind AS with the date of transition as April 1, 2016. Refer to note 38 for information on how the Company adopted Ind AS.

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 judgments, 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 May 25, 2018.”

### **2A Critical accounting estimates and management judgments**

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.

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### **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 is 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.

## 2B Recent accounting pronouncements

### **Standards issued but not yet effective**

“Recent Indian Accounting Standards (Ind AS) Ministry of Corporate Affairs (“MCA”) through Companies (Indian Accounting Standards) Amendment Rules, 2018 notified the following new and amendments to Ind ASs which the company has not applied as they are effective for annual periods beginning on or after April 1, 2018:

Ind AS 115 Revenue from Contracts with Customers

Ind AS 21 The Effect of Changes in Foreign Exchange Rates

Ind AS 115 – Revenue from Contracts with Customers

Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 - Revenue, Ind AS 11 - Construction Contracts when it becomes effective. The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customer. The Company has completed its evaluation of the possible impact of Ind AS 115 and will adopt the standard with all related amendments to all contracts with customers retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. Under this transition method, cumulative effect of initially applying Ind AS 115 is recognised as an adjustment to the opening balance of retained earnings of the annual reporting period. The standard is applied retrospectively only to contracts that are not completed contracts at the date of initial application. The Company does not expect the impact of the adoption of the new standard to be material on its retained earnings and to its net income on an ongoing basis.

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Ind AS 21 – The Effect of Changes in Foreign Exchange Rates The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The company does not expect the impact of the adoption of this standard to be material on its retained earnings and to its net income on an ongoing basis.

### **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.

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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**

#### **Deemed cost option for first time adopter of Ind AS**

Under the previous GAAP (Indian GAAP), property, plant and equipment were carried in the balance sheet at cost less accumulated depreciation. The Company has elected to consider the previous GAAP carrying amount of the Property, Plant and Equipment as the deemed cost as at the date of transition, viz., 1 April 2016.

### **Presentation**

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.

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### **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.

## Investment in Mutual Funds

Investments in mutual funds are measured at fair value through profit and loss (FVTPL).

Classification	Name of the financial asset
Amortised cost	Trade receivables, Loans to employees, and others, deposits, interest receivable and other advances recoverable in cash.
FVTOCI	Equity investments in companies other than Subsidiaries and associates if an option is exercised at the time of initial recognition.
FVTPL	Other investments in equity instruments and mutual funds.

## 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, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

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

## TWENTY SEVENTH ANNUAL REPORT 2017 - 18

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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 is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity).

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

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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).

### **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 determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 1, 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are operating leases.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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Rental expense 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 lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals, if any arising under operating leases are recognised as an expense in the period in which they are incurred.

### **k) Impairment of non financial assets**

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.

### **l) 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”

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### Notes to Standalone Financial Statements for the year ended March 31, 2018 (Contd.) (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

#### 4 Property, plant and equipment

Particulars	Tangible Assets												Total	
	Land	Buildings	Plant and Machinery	Electrical Fittings	Furniture & Fixture	Fit outs	Computers	Air Conditioners	UPS	Others	Photocopier Machine	Multi level Car Park		Vehicles
<b>Deemed Cost as at April 1, 2016</b>	23.49	1,624.37	138.17	222.42	71.74	188.98	2.79	67.50	58.92	11.84	1.69	82.66	55.80	2,550.37
Additions	-	-	-	59.01	3.47	-	0.27	3.55	-	6.78	-	-	-	73.08
Disposals	-	-	-	(25.58)	-	-	-	(0.18)	(3.96)	(3.95)	-	-	-	(33.67)
<b>Cost as at March 31, 2017</b>	<b>23.49</b>	<b>1,624.37</b>	<b>138.17</b>	<b>255.85</b>	<b>75.21</b>	<b>188.98</b>	<b>3.06</b>	<b>70.87</b>	<b>54.96</b>	<b>14.67</b>	<b>1.69</b>	<b>82.66</b>	<b>55.80</b>	<b>2,589.78</b>
Additions	-	36.41	-	54.10	5.62	117.93	0.62	11.79	-	0.46	1.79	-	19.45	248.07
Disposals	-	-	-	-	-	-	-	(4.78)	-	-	(2.52)	-	(10.79)	(18.09)
<b>Cost as at March 31, 2018</b>	<b>23.49</b>	<b>1,660.78</b>	<b>138.17</b>	<b>309.95</b>	<b>80.83</b>	<b>306.81</b>	<b>3.68</b>	<b>77.88</b>	<b>54.96</b>	<b>15.13</b>	<b>0.96</b>	<b>82.66</b>	<b>64.46</b>	<b>2,819.76</b>
<b>Depreciation/ Amortisation</b>														
Charge for the year	-	53.09	30.19	53.36	33.65	88.65	1.76	14.97	14.62	5.79	0.94	15.10	17.66	329.78
Disposals	-	-	-	(21.78)	-	-	-	(0.11)	-	(3.90)	-	-	-	(25.79)
<b>As at March 31, 2017</b>	<b>-</b>	<b>53.09</b>	<b>30.19</b>	<b>31.58</b>	<b>33.65</b>	<b>88.65</b>	<b>1.76</b>	<b>14.86</b>	<b>14.62</b>	<b>1.89</b>	<b>0.94</b>	<b>15.10</b>	<b>17.66</b>	<b>303.99</b>
Charge for the year	-	53.39	30.20	40.19	24.77	62.96	1.02	14.89	13.65	5.43	0.57	15.10	17.76	279.92
Disposals	-	-	-	-	-	-	-	(4.78)	-	-	(2.52)	-	(8.37)	(15.67)
<b>As at March 31, 2018</b>	<b>-</b>	<b>106.48</b>	<b>60.39</b>	<b>71.77</b>	<b>58.42</b>	<b>151.61</b>	<b>2.78</b>	<b>24.97</b>	<b>28.27</b>	<b>7.32</b>	<b>(1.01)</b>	<b>30.20</b>	<b>27.05</b>	<b>568.24</b>
<b>Net Block</b>														
As at April 1, 2016	23.49	1,624.37	138.17	222.42	71.74	188.98	2.79	67.50	58.92	11.84	1.69	82.66	55.80	2,550.37
As at March 31, 2017	23.49	1,571.28	107.98	224.27	41.56	100.33	1.30	56.01	40.34	12.78	0.75	67.56	38.14	2,285.79
As at March 31, 2018	23.49	1,554.30	77.78	238.18	22.41	155.21	0.90	52.91	26.69	7.81	1.97	52.46	37.41	2,251.52

## Notes to Financial Statements for the year ended March 31, 2018

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

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>5 Capital Work in Progress</b>			
Capital work in progress	36.91	-	-
	<b>36.91</b>	<b>-</b>	<b>-</b>
<b>6 Non-current assets - Financial Assets: Investments</b>			
<b>Investment in Subsidiary</b>			
<b>Trade Unquoted at Cost</b>			
1,00,000 Equity Shares (As at March 31, 2017 & March 31, 2016: 1,00,000) of Rs.10 each fully paid up in Elnet Software City Ltd. (Refer Note below)	-	5.58	10.00
<b>Investments in Equity shares in Others FVTOCI</b>			
<b>Trade Unquoted</b>			
3,025,300 Equity Shares (As at March 31, 2017 & March 31, 2016: 3,025,300) of Rs.10 each fully paid up in IG3 Infra Ltd (Formerly known as Indian Green Grid Group Ltd)	344.28	302.53	302.53
<b>Investments in Mutual Funds FVTPL</b>			
<b>Trade Quoted</b>			
4,000,000 units (As at March 31, 2017 & March 31, 2016: 4,000,000 units) in Axis Bank Hybrid Series 27 Growth Fund	460.21	427.86	395.45
	<b>804.49</b>	<b>735.97</b>	<b>707.98</b>
<b>Total non-current investments</b>			
Aggregate amount of quoted investments	460.21	427.86	395.45
Aggregate market value of quoted investments	460.21	427.86	395.45
Aggregate cost of unquoted investments	302.53	308.11	312.53
Aggregate amount of impairment in value of investments	(7.57)	(4.42)	-

### Note:

The board of directors of the subsidiary company at their meeting held on 28th August, 2017 made a declaration of solvency and approved the proposal for voluntary winding up of the affairs of the subsidiary company. The Members of the subsidiary have approved the voluntary winding up process by a special resolution passed on 01st September, 2017. The Liquidator has made the application for dissolution before the Honorable National Company Law tribunal, Chennai Bench under the provisions of Insolvency and bankruptcy code, 2016 read with rules thereon. Pursuant to the same, Elnet software city limited ceased to be a subsidiary of the company with effect from 01st September, 2017.

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

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>7 Other non-current financial assets</b>			
(Unsecured, considered good)			
Land Lease Deposit	6.49	6.04	5.62
Security deposit with electricity and other departments	72.26	68.43	61.92
Loans to staff	-	-	0.21
Lease Prepayments	865.99	878.23	890.47
Bank Deposits with more than 12 months maturity	200.00	1,655.00	-
	<b>1,144.74</b>	<b>2,607.70</b>	<b>958.22</b>
<b>8 Income Tax Assets (Net)</b>			
(Unsecured, considered good)			
Advance Income Tax (net of provisions)	75.93	114.48	154.15
	<b>75.93</b>	<b>114.48</b>	<b>154.15</b>
<b>9 Current assets - Financial Assets: Trade receivables</b>			
Unsecured, considered good	235.52	231.19	182.99
	235.52	231.19	182.99
Less: Allowance for expected credit losses	-	-	-
	235.52	231.19	182.99
<b>10 Cash and cash equivalents</b>			
Balances with Banks			
In Current Account	39.93	19.56	8.64
In Deposit Account (maturing within 3 months)	385.00	435.00	375.00
Cash- on- Hand	0.17	0.12	0.23
	425.10	454.68	383.87
<b>11 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)	<b>3,575.00</b>	<b>1,225.00</b>	<b>2,065.00</b>
In earmarked bank accounts			
Unpaid Dividend Account	22.24	18.64	18.64
	<b>3,597.24</b>	<b>1,243.64</b>	<b>2,083.64</b>

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

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>12 Other financial current assets</b>			
(Unsecured, considered good)			
Interest Accrued but not Due on Deposits	223.03	101.00	89.32
	<b>223.03</b>	<b>101.00</b>	<b>89.32</b>
<b>13 Other current assets</b>			
(Unsecured, considered good)			
Advances to Suppliers	5.55	-	-
Advances to Employees	0.29	1.22	0.65
Balance with government authorities - Input tax credit receivable	9.06	0.94	1.88
Prepaid Expenses	17.41	19.51	28.36
Others	9.77	10.48	7.59
	<b>42.08</b>	<b>32.15</b>	<b>38.48</b>
<b>14 Equity Share Capital</b>			
<b>Authorised Share Capital</b>			
5,000,000 (March 31, 2017 & April 01, 2016: 5,000,000) Equity shares of 10 each	500.00	500.00	500.00
	<b>500.00</b>	<b>500.00</b>	<b>500.00</b>
<b>Issued, Subscribed and paid up Share Capital</b>			
4,000,007 (March 31, 2017 & April 01, 2016: 4,000,007) Equity shares of 10 each	400.00	400.00	400.00
	<b>400.00</b>	<b>400.00</b>	<b>400.00</b>
<b>Note:</b>			
Reconciliation of number of equity shares subscribed			
(a) Balance as at the beginning of the year	4,000,007	4,000,007	4,000,007
Add: Issued during the year	-	-	-
Balance at the end of the year	<b>4,000,007</b>	<b>4,000,007</b>	<b>4,000,007</b>
(b) There is no movement in the number of equity shares during the year and in the previous year.			
<b>(c) Rights, preferences and restrictions in respect of equity shares issued by the Company</b>			
1. The company has only one class of equity shares having a par value of Rs.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.			

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

2. The board of directors at its meeting held on 25th May, 2018 has recommended for the dividend of INR 1.50 per equity share held (Previous year INR 1.40 per equity share held) at 15 % (previous year 14%) on Equity shares. The recommended dividend is subject to the approval of shareholders of the Company in the ensuing 27th 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, 2018		March 31, 2017		April 1, 2016	
	No of shares	% of Holding	No of shares	% of Holding	No of shares	% of Holding
Electronics Corporation of Tamil Nadu Ltd	1,040,006	26.00%	1,040,006	26.00%	1,040,006	26.00%
Stur Technologies Pvt Ltd	450,000	11.25%	450,000	11.25%	450,000	11.25%
Southern Projects Management Pvt Ltd	254,371	6.36%	254,371	6.36%	254,371	6.36%
Shanmugam Thiagarajan	-	0.00%	369,483	9.24%	369,483	9.24%
IDBI Bank Ltd	369,483	9.24%	-	0.00%	-	0.00%

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>15 Other Equity</b>			
General Reserve	2,912.21	2,912.21	2,712.21
Retained earnings	3,405.77	2,573.27	2,071.64
Other Reserves - Capital Subsidy	25.75	25.75	25.75
Actuarial movement through Other Comprehensive Income	2.40	1.26	-
Reserve for equity instruments through Other Comprehensive Income	29.71	-	-
	<b>6,375.84</b>	<b>5,512.49</b>	<b>4,809.60</b>

#### a) General Reserve

Balance at the beginning of the year	2,912.21	2,712.21
Additions during the year	-	200.00
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.

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

	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
<b>b) Retained earnings</b>		
Balance at the beginning of the year	2,573.27	2,071.64
Net profit for the year	899.90	783.48
Less: Transfer to General Reserve		(200.00)
Dividends Paid	(56.00)	(68.00)
Taxes on Dividends Paid	(11.40)	(13.85)
Balance at the end of the year	<u><b>3,405.77</b></u>	<u><b>2,573.27</b></u>

Retained earnings represents the Company's undistributed earnings after taxes.

The Board has recommended on May 25, 2018, a dividend of Rs. 1.50 per share (15%) subject to the approval of the shareholders at the ensuing 27th Annual General Meeting.

**c) Other Reserves - Capital Subsidy**

Balance at the beginning of the year	25.75	25.75
Additions during the year	-	-
Balance at the end of the year	<u><b>25.75</b></u>	<u><b>25.75</b></u>

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 Rs.25.75 Lakhs. Items included in the reserve will not be reclassified subsequently to Statement of Profit or Loss.

**d) Actuarial movement through Other Comprehensive Income**

Balance at the beginning of the year	1.26	-
Additions during the year	1.13	1.26
Balance at the end of the year	<u><b>2.40</b></u>	<u><b>1.26</b></u>

**e) Reserve for equity instruments through Other Comprehensive Income**

Balance at the beginning of the year	-	-
Effect of measuring investments at fair value	29.71	-
Balance at the end of the year	<u><b>29.71</b></u>	<u><b>-</b></u>

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.

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	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>16 Other non current financial liabilities</b>			
Non Cancellable Compensation Deposits	161.77	249.88	229.12
Token Deposit	5.59	5.04	4.20
Unamortised Interest income	28.11	0.19	-
	<b>195.47</b>	<b>255.11</b>	<b>233.32</b>
<b>17 Provisions (Non -current)</b>			
Provision for Employee Benefits			
Compensated absences (Refer Note 40)	3.19	6.25	8.78
Gratuity (Refer Note 40)	7.23	10.15	4.36
	<b>10.42</b>	<b>16.40</b>	<b>13.14</b>
<b>18 Deferred Tax Liability/ (Asset) - Net</b>			
<b>Deferred Tax Liability</b>			
On Fixed Assets	67.86	81.87	108.59
Deferred Tax created on OCI Items	12.95	0.67	-
	<b>80.81</b>	<b>82.54</b>	<b>108.59</b>
<b>Deferred Tax Asset</b>			
On expenses allowable for tax on payment basis	4.82	5.67	-
Amortisation of Land Registration Charges	13.51	13.56	13.74
	<b>18.33</b>	<b>19.23</b>	<b>13.74</b>
Net deferred tax liability	<b>62.48</b>	<b>63.31</b>	<b>94.85</b>
<b>19 Borrowings (Unsecured)</b>			
Loans and advances from related parties*			
Shanmugham Thiagarajan	366.25	366.25	366.25
Stur Technologies Private Ltd	60.09	60.09	60.09
	<b>426.34</b>	<b>426.34</b>	<b>426.34</b>
* repayable on demand			
<b>20 Trade Payables</b>			
Trade Payables	18.12	10.35	67.43
	<b>18.12</b>	<b>10.35</b>	<b>67.43</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.

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

	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 1, 2016</b>
<b>21 Other financial liabilities (other than those specified above)</b>			
Cancellable Compensation Deposit	927.79	974.76	667.92
Compensation Deposit-maturing in 1 year (Non Cancellable)	371.15	95.66	384.72
Unpaid Dividend	22.24	18.64	18.64
Interest on disputed dividend (net)	1.46	1.47	1.47
Security Deposit	9.25	9.24	8.30
	<b>1,331.89</b>	<b>1,099.77</b>	1,081.05
<b>22 Provisions (Current)</b>			
Provision for Employee Benefits			
Compensated absences (Refer Note 40)	1.08	6.89	3.56
Gratuity (Refer Note 40)	2.41	2.72	3.36
	<b>3.49</b>	<b>9.61</b>	<b>6.92</b>
<b>23 Other current liabilities</b>			
Statutory dues payable	4.42	2.21	5.11
Employee benefits payable	8.09	11.01	11.26
	<b>12.51</b>	<b>13.22</b>	<b>16.37</b>
		<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
<b>24 Revenue from operations</b>			
Sale of Services			
Compensation Income	1,764.82	1,794.15	
Other operating revenues	456.55	472.45	
	<b>2,221.37</b>	<b>2,266.60</b>	
<b>25 Other income</b>			
Interest Income	326.31	227.75	
Other Non-Operating Income	40.65	34.34	
	<b>366.96</b>	<b>262.09</b>	
(i) Interest Income comprises of			
On Deposits	282.28	227.74	
On Loans to Employees	-	0.01	
On Income Tax Refund	44.03	-	
	<b>326.31</b>	<b>227.75</b>	

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

	For the year ended March 31, 2018	For the year ended March 31, 2017
(ii) Other Non-Operating Income comprises of		
Profit on sale of Fixed Assets	0.43	-
Income on investments carried at fair value through profit & loss	32.35	32.42
Other Receipts	7.87	1.92
	<b>40.65</b>	<b>34.34</b>
<b>26 Employee benefits expense</b>		
Salaries and Wages	96.42	151.79
Contributions to provident and other funds	9.15	17.75
Staff welfare expenses	5.73	6.97
	<b>111.30</b>	<b>176.51</b>
<b>27 Depreciation and amortisation expense</b>		
Depreciation of property, plant and equipment	279.92	329.78
	<b>279.92</b>	<b>329.78</b>
<b>28 Other expenses</b>		
Electricity	294.75	299.98
Diesel	46.11	39.91
Water	20.72	17.39
Rent including lease rentals	12.24	12.24
Repairs and maintenance		
Buildings	191.58	150.07
Machinery	32.40	45.93
Others	145.66	108.32
Insurance	12.02	11.32
Rates and taxes	30.23	23.94
Communication expenses	3.26	5.71
Travelling and conveyance	18.35	18.00
Printing and stationery	5.35	4.55
Business promotion expenses	10.43	6.63
Legal and professional charges	40.35	11.51
Payments to auditors (refer note below)	6.00	4.75
Sitting fees	9.24	6.58
Contribution towards Corporate Social Responsibility (refer note below)	20.26	17.95
Loss on sale of fixed assets	-	0.49
Miscellaneous expenses	42.57	6.65
	<b>941.52</b>	<b>791.92</b>

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

	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
<b>Payments to auditors</b>		
For Statutory Audit	4.00	3.25
For Tax Audit	1.00	0.75
For Other services	1.00	0.75
	<u>6.00</u>	<u>4.75</u>
<b>Expenditure on Corporate Social Responsibility</b>		
Gross amount required to be spent on Corporate Social Responsibility during the year	13.21	17.95
Amount spent during the year on		
(i) Construction and/ or acquisition of any asset	-	-
(ii) Other purposes [other than (i) above]	20.26	17.95
	<u>20.26</u>	<u>17.95</u>
Amount unspent during the year	Nil	Nil
<b>29 Finance costs</b>		
Implicit interest on compensation deposits	19.29	20.07
	<u>19.29</u>	<u>20.07</u>
<b>30 Exceptional items</b>		
Provision for diminution in value of investment	3.15	4.42
	<u>3.15</u>	<u>4.42</u>
<b>31 Income tax expense</b>		
<b>(a) Income tax expense</b>		
<b>Current tax</b>		
Current tax on profits for the year	370.00	455.00
Current tax for prior period	(23.61)	(0.27)
<b>Total current tax expense</b>	<u>346.39</u>	<u>454.73</u>
<b>Deferred tax</b>		
Deferred tax adjustments	(13.14)	(32.22)
<b>Total deferred tax expense / (benefit)</b>	<u>(13.14)</u>	<u>(32.22)</u>
<b>Income tax expense</b>	<u>333.25</u>	<u>422.51</u>

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

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>(b) Reconciliation of tax expense and accounting profit for the year is as under:</b>		
<b>Profit before tax</b>	<b>1,233.15</b>	<b>1,205.99</b>
Income tax expense calculated 28.84% (Previous Year - 34.608%)	355.64	417.37
Tax Effect on non - deductible expenses (Net)	1.22	5.41
<b>Total</b>	<b>356.86</b>	<b>422.78</b>
Adjustments in respect of current income tax of previous year	(23.61)	(0.27)
<b>Tax Expense as per Statement of Profit and Loss</b>	<b>333.25</b>	<b>422.51</b>

### (c) Movement of deferred tax expense during the year ended March 31, 2018

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	(108.59)	-	-	(108.59)
Remeasurement of financial instruments under Ind AS	-	-	-	-
Other temporary differences	45.28	13.14	(12.28)	46.14
	(63.31)	13.14	(12.28)	(62.45)

### (d) Movement of deferred tax expense during the year ended March 31, 2017

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	(108.59)	-	-	(108.59)
Remeasurement of financial instruments under Ind AS	-	-	-	-
Other temporary differences	13.74	32.22	(0.67)	45.28
	(94.85)	32.22	(0.67)	(63.31)

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>32 Earnings per share</b>		
Profit for the year attributable to owners of the Company	899.90	783.48
Weighted average number of ordinary shares outstanding	4,000,007	4,000,007

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

	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
Basic earnings per share (Rs)	22.50	19.59
Diluted earnings per share (Rs)	22.50	19.59
<b>33 Expenditure in foreign currency</b>	NIL	NIL

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

<b>Particulars</b>	<b>Year ended March 31,2018</b>	<b>Year ended March 31,2017</b>
(a) The principal amount remaining unpaid at the end of the year	0.32	0.25
(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) Income Tax demand**

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

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

In the opinion of the management, the company has a strong case to defend based on the decisions of the ITAT, High Courts and judicial precedence.

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### (ii) Lease Rent

In respect of claim made by Electronics Corporation of Tamilnadu Limited (ELCOT) during the year 2009-10 for a sum of Rs.956 Lakhs towards difference in the computation of Lease Rent for the period from 14.02.1991 to 14.01.1999, the Company prima-facie has reasons that the claim is not tenable and hence, no provision is considered necessary.

During the year, ELCOT demanded interest on delayed payment of Lease Rent amounting to Rs.1,071 Lakhs for the period May 18, 2000 upto August 8, 2017. The management based on its assessment and legal advice obtained is confident of the outcome of the matters in its 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 Operating lease arrangements

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

The Company has an operating lease arrangement for a period of 90 years. The company does not have an option to purchase the leased land at the expiry of the lease period

Lease payments recognised as an expense	For the year ended March 31, 2018	For the year ended March 31, 2017
Minimum lease payments	12.24	12.24

Future minimum lease payments under non-cancellable operating leases	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Not later than 1 year	12.24	12.24	12.24
Later than 1 year but not later than 5 years	61.20	61.20	61.20
Later than 5 years	792.55	804.79	817.03

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

Operating leases relate to the properties owned by the company with lease terms of between 1 to 10 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. The future minimum lease payments are as follows:

Future minimum lease payments under non-cancellable operating leases	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Not later than 1 year	704.00	376.91	371.27
Later than 1 year but not later than 5 years	2,207.05	135.45	507.36
Later than 5 years	-	-	-

(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, 2018	As at March 31, 2017	As at March 31, 2016
Equity	400.00	400.00	400.00
Debt	426.34	426.34	426.34
Cash and cash equivalents	425.10	454.68	383.87
Net debt	1.24	(28.34)	42.47
Net Debt to Equity ratio	0.31	(7.08)	10.62

#### 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	March 31, 2018	March 31, 2017	April 1, 2016
<b>Financial assets</b>			
<b>a. Measured at amortised cost</b>			
Other non-current financial assets	1,144.74	2,607.70	958.22
Trade receivables	235.52	231.19	182.99
Cash and cash equivalents	425.10	454.68	383.87
Bank balances other than above	3,597.24	1,243.64	2,083.64
Other current financial assets	223.03	101.00	89.32
<b>b. Mandatorily measured at fair value through profit or loss (FVTPL)</b>			
Investments - Level 1	460.21	427.86	395.45
<b>c. Mandatorily measured at fair value through profit or loss (FVTOCI)</b>			
Investments - Level 2	344.28	302.53	302.53
<b>Financial Liabilities</b>			
<b>a. Measured at amortised cost</b>			
Borrowings	426.34	426.34	426.34
Other non-current financial liabilities	195.47	255.11	233.32
Trade payables	18.12	10.35	67.43
Other financial liabilities	1,331.89	1,099.77	1,081.05

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

### **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, 2018, March 31, 2017 and April 1, 2016.

### **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.

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

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.

### 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.

As at March 31, 2018	Due in 3 months	Due in 3 months to 1st year	Due in 1st to 5th year	Due after 5th year	Total Carrying amount
Trade payables	18.12	-	-	-	18.12
Cancellable & Non Cancellable Deposits	584.30	126.83	717.41	61.66	1,490.21
Other financial liabilities	9.25	23.70	-	-	32.95
Other current Liabilities	4.43	8.09	-	-	12.52
	<b>616.10</b>	<b>158.62</b>	<b>717.41</b>	<b>61.66</b>	<b>1,553.80</b>

As at March 31, 2017	Due in 3 months	Due in 3 months to 1st year	Due in 1st to 5th year	Due after 5th year	Total Carrying amount
Trade payables	10.35	-	-	-	10.35
Cancellable & Non Cancellable Deposits	471.20	261.33	606.92	-	1,339.45
Other financial liabilities	9.24	20.11	-	-	29.35
Other current Liabilities	2.21	11.01	-	-	13.22
	<b>493.00</b>	<b>292.45</b>	<b>606.92</b>	-	<b>1,392.37</b>

As at April 1, 2016	Due in 3 months	Due in 3 months to 1st year	Due in 1st to 5th year	Due after 5th year	Total Carrying amount
Trade payables	67.43	-	-	-	67.43
Cancellable & Non Cancellable Deposits	-	138.13	1,082.32	100.34	1,320.79
Other financial liabilities	8.30	20.11	-	-	28.41
Other current Liabilities	5.11	11.26	-	-	16.37
	<b>80.84</b>	<b>169.50</b>	<b>1,082.32</b>	<b>100.34</b>	<b>1,433.00</b>

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):	March 31, 2018	March 31, 2017	April 1, 2016
	Nil	Nil	Nil

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### 39 Related party disclosure

#### a) List of parties having significant influence

<b>Holding company</b>	The Company does not have any holding company
<b>Subsidiary</b>	Elnet Software City Limited (Upto September 01, 2017)
<b>Entity having significant Influence</b>	Electronics Corporation of Tamil Nadu Ltd (ELCOT)
<b>Other Enterprises with which promoter has significant influence</b>	IG3 Infra Ltd Stur Technologies Pvt Ltd

<b>Key management personnel</b>	
Mrs. Unnamalai Thiagarajan	Managing Director
Thiru T.K. Karthik	Chief Financial Officer (till 08.07.2017)
Thirumathi E Kamakshi	Chief Financial Officer (from 09.02.2018)
Thiru S. Lakshmi Narasimhan	Company Secretary till 10.11.2017
Thiru.T.Joswa Johnson	Company Secretary from 08.12.2017

<b>Relatives of Key management personnel</b>	
Thiru Shanmugham Thiagarajan	Spouse of Managing Director

#### b) Transactions during the year

<b>S. No</b>	<b>Nature of transactions</b>	<b>Year ended March 31, 2018</b>	<b>Year ended March 31, 2017</b>
1	Electronics Corporation of Tamil Nadu Ltd (ELCOT) Lease Rent Sitting Fees	12.24 0.70	12.24 0.70
2	Mrs. Unnamalai Thiagarajan Remuneration	14.00	14.00
3	Thiru T.K. Karthik (part of the year) Remuneration Contribution to PF and Other Funds	8.30 0.46	19.74 1.53
4	Thirumathi E Kamakshi (part of the year) Remuneration Contribution to PF and Other Funds	8.98 0.69	NA NA
5	S. Lakshmi Narasimhan Remuneration Contribution to PF and Other Funds	6.04 3.75	8.31 0.59
6	T. Joswa Johnson Remuneration Contribution to PF and Other Funds	1.83 0.15	NA NA

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

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

S. No	Particulars	As at March 31, 2018	As at March 31, 2017
1	Electronics Corporation of Tamil Nadu Ltd (ELCOT) Deposit given for leasehold land	872.48	884.27
2	Shri. Shanmugham Thiagarajan Unsecured Loans	366.25	366.25
3	Stur Technologies Pvt Ltd Unsecured Loans Interest on disputed dividend	60.09 1.46	60.09 1.47

**d) Investment in Equity shares**

S. No	Particulars	As at March 31, 2018	As at March 31, 2017
1	IG3 Infra Ltd (Formerly Indian Green Grid Group Ltd)	344.28	302.53
2	Elnet Software City Ltd (subsidiary Co)	-	5.58

**40 Retirement benefit plans**

**Defined contribution plans**

The total expense recognised in profit or loss of Rs. 7.23 lakhs (for the year ended March 31, 2017: Rs. 9.71 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, 2018. 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.

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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, 2018 by Mr. S. Krishnan, 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, 2018	March 31, 2017
Mortality Table	Indian Assured Lives (2006-08) Ultimate	Indian Assured Lives (2006-08) Ultimate
Discount Rate	7.50% p.a.	7.00% p.a.
Rate of increase in compensation level	12.00% p.a.	12.00% p.a.
Employee Attrition rate	9.50% p.a.	10.00% p.a.
Rate of Return on Plan Assets	7.52% p.a.	8.00% 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.

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

<b>Amounts recognised in total comprehensive income in respect of these Gratuity plan is as follows:</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Current service cost	3.72	5.59
Net interest expense	2.07	2.46
Return on plan assets (excluding amounts included in net interest expense)	(1.29)	-
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>4.50</b>	<b>8.05</b>

<b>Remeasurement on the net defined benefit liability comprising:</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Actuarial (gains)/losses recognised during the period	(2.75)	(1.93)
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>(2.75)</b>	<b>(1.93)</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.

<b>The amount included in the balance sheet arising from the Company's obligation in respect of its Gratuity plan is as follows:</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Present value of defined benefit obligation	27.95	31.34
Fair value of plan assets	(18.31)	(18.47)
<b>Net liability/ (asset) arising from defined benefit obligation</b>	<b>9.64</b>	<b>12.87</b>
Funded	9.64	12.87
	<b>9.64</b>	<b>12.87</b>

The above provisions are reflected under 'Provision for employee benefits- gratuity' (Long and short-term provisions) [Refer note 17 and 22].

<b>Movements in the present value of the defined benefit obligation in the current year were as follows:</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Opening defined benefit obligation	31.34	35.22
Current service cost	3.72	5.59
Interest cost	2.07	2.46
Actuarial (gains)/losses	(2.36)	(1.93)
Benefits paid	(6.82)	(10.00)
Closing defined benefit obligation	<b>27.95</b>	<b>31.34</b>

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<b>Movements in the fair value of the plan assets in the current year were as follows:</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Opening fair value of plan assets	18.47	27.50
Adjustments to the opening balance	1.80	-
Return on plan assets	1.29	-
Contributions	3.18	0.97
Benefits paid	(6.82)	(10.00)
Actuarial gains/(loss)	0.39	-
Closing fair value of plan assets	18.31	18.47

### 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

<b>Incidence of Payment</b>	<b>March 31, 2018</b>
By the end of First Year	1,071,315
Between Year 1 and Year 2	-
Between Year 2 and Year 3	-
Between Year 3 and Year 4	-
Between Year 4 and Year 5	-
Between Year 5 and Year 10	2,329,027

### (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.

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

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

Particulars	March 31, 2018	March 31, 2017
Mortality Table	Indian Assured Lives (2006-08) Ultimate	Indian Assured Lives (2006-08) Ultimate
Discount Rate	7.50% p.a.	7.00% p.a.
Rate of salary escalation	12.00% p.a.	12.00% p.a.
Employee Attrition rate	10% 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.

Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:	March 31, 2018	March 31, 2017
Current service cost	1.02	8.50
Net interest expense	0.69	0.61
Actuarial (gains)/losses recognised during the period	(3.93)	1.09
Return on plan assets (excluding amounts included in net interest expense)	-	-
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>(2.22)</b>	<b>10.20</b>

The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:	March 31, 2018	March 31, 2017
Present value of defined benefit obligation	4.27	13.14
Fair value of plan assets	-	-
<b>Net liability/ (asset) arising from defined benefit obligation</b>	<b>4.27</b>	<b>13.14</b>
Unfunded	4.27	13.14

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:	March 31, 2018	March 31, 2017
Opening defined benefit obligation	13.14	12.34
Current service cost	1.02	8.50
Interest cost	0.69	0.61
Actuarial (gains)/losses	(3.93)	1.09
Benefits paid	(6.65)	(9.40)
<b>Closing defined benefit obligation</b>	<b>4.27</b>	<b>13.14</b>

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

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 First-time adoption of Ind AS**

### **Transition to Ind AS**

These are the Company's first financial statements prepared in accordance with Ind AS.

"The accounting policies set out in Note 3 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 1, 2016 (The company's date of transition).

In preparing its opening Ind AS balance sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards generally applicable to the Company (as amended from time to time) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous GAAP to Ind AS has affected The company's financial position, financial performance and cash flows is set out in the following tables and notes.

### **A. Exemptions and exceptions availed**

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

#### **A.1 Ind AS optional exemptions**

##### **A.1.1 Deemed cost for PPE and Intangibles**

Ind AS 101 permits a first-time adopter to elect to fair value a class of property, plant and equipment or to continue with the carrying value for all of its PPE as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities.

Accordingly, the company has elected to continue the property, plant and equipment at their previous GAAP values.

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

### **A.1.2. Designation of previously recognised financial instruments**

Ind AS 101 allows an entity to designate investments in equity instruments at FVTOCI or FVTPL on the basis of the facts and circumstances at the date of transition to Ind AS. The company has elected to apply this exemption for its investment in equity investments.

### **A.1.3. Leases**

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The company has elected to apply this exemption for such contracts/ arrangements.

## **A.2 Ind AS mandatory exceptions**

### **A.2.1 Estimates**

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company made estimates for impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

## **B. Notes to first-time adoption**

### **B.1 Fair valuation of security deposits**

As per Ind AS 109, the company is required to fair value long term monetary assets and liabilities for the possible impact of discounting for time value of money. Accordingly, the Company has considered the impact of discounting for time value of money in its Ind AS financial statements.

### **B.2 Recognition of lease income/ payments**

As per Ind AS 17, the Company is required straight line the lease rents only if the escalation is not in the nature of compensation for increase in cost inflation index. Accordingly, the Company has considered the impact of each of the agreements and accounted in its Ind AS financial statements.

### **B.3 Fair valuation of financial assets and liabilities**

Under Ind AS, financial assets and liabilities are to be valued at amortised cost or fair valued through profit and loss (FVTPL) or fair valued through other comprehensive income (FVTOCI) based on the Company's business objectives and the cash flow characteristics of the underlying financial assets and liabilities. The Company has remeasured the

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

financial assets and liabilities as on the date of transition and the consequential impact has been given in the opening retained earnings.

### B.4 Proposed dividends

Under Ind AS, liability to pay dividends arises only when the share holders approves the dividends recommended by the board of directors. Till such approval the proposed dividends does not meet the recognition criteria of a liability. The Company has accordingly, reversed the provisions for proposed dividends and the related taxes. Only a disclosure as required by Ind AS has been made

### B.5 Remeasurement of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. Adjustments have been made for such re-classifications. However, this does not have any impact on equity/ profits for the year

## 42 Key reconciliation required as per Ind AS 101 on transition to Ind AS

### (a) Reconciliation of Total Equity as at 31 March 2017 and 1 April 2016

	As at March 31, 2017	As at April 1, 2016
<b>Total equity / shareholders' funds as per Indian GAAP</b>	<b>6,017.91</b>	<b>5,300.44</b>
<b>Ind AS Adjustments</b>		
Fair valuation of compensation deposits given/ taken	(206.74)	(207.16)
Impact of rent straight lining	(12.24)	-
Impact of unwinding implicit interest on compensation deposits received	17.04	39.03
Fair Valuation of investments in mutual funds	27.86	(4.55)
Proposed dividends and dividend distribution tax reversed	67.40	81.84
Remeasurment of Post employment benefit obligations (Net of tax)	1.26	-
<b>Total equity/ shareholders' funds as per Ind AS</b>	<b>5,912.49</b>	<b>5,209.60</b>

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

**(b) Reconciliation of profit or loss for the year ended 31 March 2017**

Particulars	Notes to first-time adoption	Indian GAAP*	Adjustments	Ind AS
<b>INCOME</b>				
Revenue from operations		2,266.60	-	2,266.60
Other income	g (i)	229.25	32.84	262.09
<b>Total income</b>		<b>2,495.85</b>	<b>32.84</b>	<b>2,528.69</b>
<b>EXPENSES</b>				
Employee benefits expense	g (iv)	174.58	1.93	176.51
Depreciation and amortisation expense		329.78	-	329.78
Other expenses	g (ii)	779.68	12.24	791.92
Finance costs	g (iii)	-	20.07	20.07
<b>Total expenses</b>		<b>1,284.04</b>	<b>34.24</b>	<b>1,318.28</b>
<b>Profit before exceptional items and tax</b>		<b>1,211.81</b>	<b>(1.40)</b>	<b>1,210.41</b>
Exceptional items		(4.42)	-	(4.42)
<b>Profit before tax</b>		<b>1,207.39</b>	<b>(1.40)</b>	<b>1,205.99</b>
<b>Income tax expense</b>				
Current tax		454.73	-	454.73
Deferred tax		(32.22)	-	(32.22)
<b>Total income tax expense</b>		<b>422.52</b>	<b>-</b>	<b>422.52</b>
<b>Profit for the year</b>		<b>784.88</b>	<b>(1.40)</b>	<b>783.48</b>
<b>Other comprehensive income</b>				
Re-measurement gains/ (losses) on defined benefit plans	g (iv)	-	1.93	1.93
Income tax effect	g (iv)	-	(0.67)	(0.67)
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>1.26</b>	<b>1.26</b>
<b>Total comprehensive income for the year</b>		<b>784.88</b>	<b>(0.14)</b>	<b>784.74</b>

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

### (c) Reconciliation of equity as at date of transition 1 April 2016

Particulars	Notes to first-time adoption	Indian GAAP*	Ind AS Adjustments	Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		2,550.37	-	2,550.37
Capital work in progress		-	-	-
Financial assets				
Investments	g (i)	712.53	(4.55)	707.98
Other financial assets	g (ii)	1,165.38	(207.16)	958.22
Income Tax Assets (Net)		154.15	-	154.15
<b>Total non-current assets</b>		<b>4,582.43</b>	<b>(211.71)</b>	<b>4,370.72</b>
<b>Current assets</b>				
Financial assets				
Trade receivables		182.99	-	182.99
Cash and cash equivalents		383.87	-	383.87
Bank balances other than above		2,083.64	-	2,083.64
Other financial assets		89.32	-	89.32
Other current assets		38.48	-	38.48
<b>Total current assets</b>		<b>2,778.30</b>	<b>-</b>	<b>2,778.30</b>
<b>Total assets</b>		<b>7,360.73</b>	<b>(211.71)</b>	<b>7,149.02</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		400.00	-	400.00
Other equity		4,900.44	(90.84)	4,809.60
<b>Total Equity</b>		<b>5,300.44</b>	<b>(90.84)</b>	<b>5,209.60</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
Other financial liabilities	g (iii)	272.35	(39.03)	233.32
Provisions		13.14	-	13.14
Deferred Tax Liabilities (net)		94.85	-	94.85
<b>Total non-current liabilities</b>		<b>380.34</b>	<b>(39.03)</b>	<b>341.31</b>

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

Particulars	Notes to first-time adoption	Indian GAAP*	Ind AS Adjustments	Ind AS
<b>Current liabilities</b>				
Financial liabilities				
Borrowings		426.34	-	426.34
Trade payables		67.43	-	67.43
Other financial liabilities		1,081.05	-	1,081.05
Short Term Provisions	g (iv)	88.76	(81.84)	6.92
Other current liabilities		16.37	-	16.37
<b>Total current liabilities</b>		<b>1,679.95</b>	<b>(81.84)</b>	<b>1,598.11</b>
<b>Total equity and liabilities</b>		<b>7,360.73</b>	<b>(211.71)</b>	<b>7,149.02</b>

\* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

**(d) Reconciliation of equity as at 31 March 2017**

Particulars	Notes to first-time adoption	Indian GAAP*	Adjustments	Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		2,285.79	-	2,285.79
Financial assets				
Investments	g (i)	708.11	27.86	735.97
Other Financial Assets	g (ii)	2,826.68	(218.98)	2,607.70
Other non-current assets		114.48	-	114.48
<b>Total non-current assets</b>		<b>5,935.06</b>	<b>(191.12)</b>	<b>5,743.94</b>
<b>Current assets</b>				
Financial assets				
Trade receivables		231.19	-	231.19
Cash and cash equivalents		454.68	-	454.68
Bank balances other than cash and cash equivalents		1,243.64	-	1,243.64
Others		101.00	-	101.00
Other current assets		32.15	-	32.15
<b>Total current assets</b>		<b>2,062.66</b>	<b>-</b>	<b>2,062.66</b>
<b>Total assets</b>		<b>7,997.72</b>	<b>(191.12)</b>	<b>7,806.60</b>

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

Particulars	Notes to first-time adoption	Indian GAAP*	Adjustments	Ind AS
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		400.00	-	400.00
Other equity		5,617.91	(105.42)	5,512.49
<b>Total equity</b>		<b>6,017.91</b>	<b>(105.42)</b>	<b>5,912.49</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
Borrowings		-	-	-
Other financial liabilities	g (iii)	274.08	(18.97)	255.11
Provisions		16.40	-	16.40
Deferred Tax Liabilities (net)		62.64	0.67	63.31
<b>Total non-current liabilities</b>		<b>353.12</b>	<b>(18.30)</b>	<b>334.82</b>
<b>Current liabilities</b>				
Financial liabilities				
Borrowings		426.34	-	426.34
Trade payables		10.35	-	10.35
Other financial liabilities		1,099.77	-	1,099.77
Other current liabilities		13.22	-	13.22
Provisions	g (v)	77.01	(67.40)	9.61
<b>Total current liabilities</b>		<b>1,626.69</b>	<b>(67.40)</b>	<b>1,559.29</b>
<b>Total Liabilities</b>		<b>1,979.81</b>	<b>(85.70)</b>	<b>1,894.11</b>
<b>Total Equity and liabilities</b>		<b>7,997.72</b>	<b>(191.12)</b>	<b>7,806.60</b>

\* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

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

**(e) Impact of Ind AS adoption on cash flow statements for the year ended 31 March 2017**

Particulars	Indian GAAP*	Adjustments	Ind AS
Net cash flow from operating activities	1,578.48	(2,396.13)	(817.65)
Net cash flow from investing activities	(1,505.05)	2,495.43	990.38
Net cash flow from financing activities	(62.61)	(39.31)	(101.92)
Net increase in cash and cash equivalents	10.82	60.00	70.81
Cash and cash equivalents as at 1 April 2016	8.86	375.00	383.87
Cash and cash equivalents as at 31 March 2017	19.68	435.01	454.68

\* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

**(f) Analysis of changes in cash and cash equivalent for the purpose of statement of cash flows under Ind AS:**

	As at 31-03-2017	As at 01-04-2016
Cash and cash equivalents as per Indian GAAP	19.68	8.86
Cash and cash equivalents as per Ind AS	454.68	383.87

**(g) Notes to first-time adoption**

(i) Investments

a) Investments in mutual funds have been fair valued through Statement of Profit & Loss (FVTPL) in accordance with Ind AS 109. the consequential impact on remeasurement has been given in the opening retained earnings.

b) Investment in equity shares in others has been fair valued through Other Comprehensive Income (FVTOCI)

(ii) Land Lease Deposit

Lease deposit made with ELCOT has been fair valued for the possible impact of discounting for time value of money and recognised at amortised cost as at the date of transition 1st April, 2016 as per Ind AS 109. Notional interest income on lease deposit is accounted to recoup the deposit to the actual amount and the difference between the actual lease deposit and its fair value is accounted for as notional rent expense on straight line basis over the lease term of 90 years.

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

(iii) Cancellable and Non cancellable Compensation Deposits

As per Ind AS 109, the company has fair valued long term monetary security deposits for the possible impact of discounting for time value of money and recognised at amortised cost at inception. Notional interest expense on security deposit is accounted to recoup the deposit to the actual amount.

(iv) Defined benefit liabilities

Both under Indian GAAP and Ind AS, the Company recognized costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to Statement of Profit and Loss. Under Ind AS, re-measurements comprising of actuarial gains and losses are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

(v) Proposed Dividend

Liability to pay dividends arises only when the share holders approves the dividends recommended by the board of directors. Till such approval the proposed dividends does not meet the recognition criteria of a liability. The Company has accordingly, reversed the provisions for proposed dividends and the related taxes. Only a disclosure as required by Ind AS has been made.

### For and on behalf of the Board

**Unnamalai Thiagarajan**  
Managing Director

**E. Kamakshi**  
Chief Financial Officer

Place : Chennai  
Date : 25th May, 2018

**G. Chellakrishna**  
Director

**T. Joswa Johnson**  
Company Secretary

## **INDEPENDENT AUDITORS' REPORT**

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

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

We have audited the accompanying consolidated Ind AS financial statements of Elnet Technologies Limited (hereinafter referred to as “the Holding Company”), and its subsidiary (the Holding Company and its subsidiary together referred to as “the Group”) comprising the Consolidated Balance Sheet as at March 31, 2018 the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated Ind AS financial statements”).

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

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as “the Act”) that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

#### **Auditors' Responsibility**

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

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

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of separate financial statement of the subsidiary referred to below in the Other Matters paragraph, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2018 and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

### **Other Matter**

We did not audit the financial statements of one subsidiary, whose financial statement reflect total assets of Rs. Nil as at March 31, 2018, total revenues of Rs. Nil and net cash outflows amounting to Rs. 3.15 Lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. This financial statement is unaudited and have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary is based solely on such unaudited financial statement. In our opinion and according to the information

and explanations given to us by the Management, this financial statement is not material to the Group.

The comparative financial information of the Group for the year ended March 31, 2017 and the related transition date opening balance sheet as at April 01, 2016 included in these consolidated Ind AS financial statements, have been prepared after adjusting the previously issued consolidated financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS. The previously issued consolidated financial statements were audited by the predecessor auditor whose reports for the years ended March 31, 2017 and March 31, 2016 dated May 12, 2017 and May 06, 2016 respectively expressed an unmodified opinion on those consolidated financial statements. Adjustments made to the previously issued consolidated financial statements to comply with Ind AS have been audited by us.

Our report is not qualified in respect of these matters.

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

1. As required by Section 143(3) of the Act, based on our audit and the other financial information of subsidiary company incorporated in India, referred in the Other Matters paragraph above we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
  - (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies incorporated in

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India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”, which is based on the auditors’ reports of the Holding Company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies, for the reasons stated therein.
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditor’s) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 35 to the Consolidated Ind AS financial statements.
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India.

For MSKA & Associates (Formerly known as MZSK & Associates)  
Chartered Accountants  
(Firm’s Registration No. 105047W)

Place : Chennai  
Date : 25<sup>th</sup> May, 2018

Geetha Jeyakumar  
Partner  
Membership No. 29409

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

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

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Elnet Technologies Limited (hereinafter referred to as "Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group").

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

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiary company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, 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 adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 internal financial controls system over financial reporting of the Holding Company and its subsidiary company which are companies incorporated in India.

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

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

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

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

### **Opinion**

In our opinion to the best of our information and according to the explanations given to us, the Holding Company, has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one subsidiary company, which is incorporated in India, whose financial statement is unaudited and our opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Group is not affected as this financial statement is not material to the Group.

For MSKA & Associates (Formerly known as MZSK & Associates)  
Chartered Accountants  
(Firm's Registration No. 105047W)

Place : Chennai  
Date : 25<sup>th</sup> May, 2018

Geetha Jeyakumar  
Partner  
Membership No. 29409

## TWENTY SEVENTH ANNUAL REPORT 2017 - 18

<b>Consolidated Balance Sheet as at March 31, 2018</b>				
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)				
Particulars	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	4	2,251.52	2,285.79	2,550.37
Capital work in progress	5	36.91	-	3.92
Financial assets				
Investments	6	804.49	730.39	697.98
Other financial assets	7	1,144.74	2,607.70	958.22
Income Tax Assets (Net)	8	75.93	114.48	154.15
Other non-current assets	9	-	-	0.41
<b>Total non-current assets</b>		<b>4,313.59</b>	<b>5,738.36</b>	<b>4,365.05</b>
<b>Current assets</b>				
Financial assets				
Trade receivables	10	235.52	231.19	182.99
Cash and cash equivalents	11	425.10	460.11	389.31
Bank balances other than above	12	3,597.24	1,243.64	2,083.64
Other financial assets	13	223.03	101.23	89.55
Other current assets	14	42.08	32.15	38.48
<b>Total current assets</b>		<b>4,522.97</b>	<b>2,068.32</b>	<b>2,783.97</b>
<b>Total Assets</b>		<b>8,836.56</b>	<b>7,806.68</b>	<b>7,149.02</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	15	400.00	400.00	400.00
Other equity	16	6,375.84	5,512.49	4,809.60
<b>Total equity</b>		<b>6,775.84</b>	<b>5,912.49</b>	<b>5,209.60</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
Other financial liabilities	17	195.47	255.11	233.32
Provisions	18	10.42	16.40	13.14
Deferred Tax Liabilities (net)	19	62.48	63.31	94.85
<b>Total non-current liabilities</b>		<b>268.37</b>	<b>334.82</b>	<b>341.31</b>
<b>Current liabilities</b>				
Financial liabilities				
Borrowings	20	426.34	426.34	426.34
Trade payables	21	18.12	10.43	67.43
Other financial liabilities	22	1,331.89	1,099.77	1,081.05
Short Term Provisions	23	3.49	9.61	6.92
Other current liabilities	24	12.51	13.22	16.37
<b>Total current liabilities</b>		<b>1,792.35</b>	<b>1,559.37</b>	<b>1,598.11</b>
<b>Total liabilities</b>		<b>2,060.72</b>	<b>1,894.19</b>	<b>1,939.42</b>
<b>Total Equity and Liabilities</b>		<b>8,836.56</b>	<b>7,806.68</b>	<b>7,149.02</b>

The accompanying notes form an integral part of the financial statements

### For and on Behalf of the Board

**Unnamalai Thiagarajan**  
Managing Director

**G. Chellakrishna**  
Director

As per our Report of even date

**For MSKA & Associates**  
Chartered Accountants

**E. Kamakshi**  
Chief Financial Officer

**T. Joswa Johnson**  
Company Secretary

**Geetha Jeyakumar**  
Partner

Place : Chennai  
Date : 25th May, 2018

<b>Consolidated Statement of profit and loss for the year ended March 31, 2018</b> (All amounts are in lakhs of Indian Rupees, unless otherwise stated)			
Particulars	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>A Income</b>			
Revenue from operations	25	2,221.37	2,266.60
Other income	26	366.96	262.09
<b>Total income</b>		<b>2,588.33</b>	<b>2,528.69</b>
<b>B Expenses</b>			
Employee benefits expense	27	111.30	176.51
Depreciation and amortisation expense	28	279.92	329.78
Other expenses	29	944.67	796.34
Finance costs	30	19.29	20.07
<b>Total expenses</b>		<b>1,355.18</b>	<b>1,322.70</b>
<b>C Profit before exceptional items and tax</b>		<b>1,233.15</b>	<b>1,205.99</b>
Exceptional items		-	-
<b>D Profit before tax from continuing operations</b>		<b>1,233.15</b>	<b>1,205.99</b>
Income tax expense	31		
Current tax		346.39	454.73
Deferred tax		(13.14)	(32.22)
<b>E Profit for the year</b>		<b>899.90</b>	<b>783.48</b>
<b>F Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment benefit obligations		2.75	1.93
Effect of measuring investments at fair value		41.75	-
Income tax relating to these items		(12.28)	(0.67)
<b>Other comprehensive income for the year, net of tax</b>		<b>32.23</b>	<b>1.26</b>
<b>Total comprehensive income for the year</b>		<b>932.13</b>	<b>784.74</b>
<b>Earnings per share</b>	32		
Basic earnings per share		22.50	19.59
Diluted earnings per share		22.50	19.59

The accompanying notes form an integral part of the financial statements

**For and on Behalf of the Board**

**Unnamalai Thiagarajan**  
Managing Director

**G. Chellakrishna**  
Director

As per our Report of even date

**For MSKA & Associates**  
Chartered Accountants

**E. Kamakshi**  
Chief Financial Officer

**T. Joswa Johnson**  
Company Secretary

**Geetha Jeyakumar**  
Partner

Place : Chennai  
Date : 25th May, 2018

## TWENTY SEVENTH ANNUAL REPORT 2017 - 18

<b>Statement of Consolidated cash flows for the year ended March 31, 2018</b> (All amounts are in lakhs of Indian Rupees, unless otherwise stated)		
<b>Particulars</b>	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
<b>Cash Flow From Operating Activities</b>		
Profit before income tax	1,233.15	1,205.99
Adjustments for		
Depreciation and amortisation expense	279.92	329.78
Capital work in progress written off	-	0.41
(Profit)/Loss on sale of fixed asset	(0.43)	0.49
Fair value changes of investments considered to profit and loss	(32.35)	(32.41)
Provision/ (Reversal) for Employee Benefits	(13.46)	5.95
Interest Income on deposits	(326.31)	(227.75)
Finance costs	19.29	20.07
	1,159.81	1,302.53
Change in operating assets and liabilities		
(Increase)/ decrease in Other financial assets	1,463.20	(1,649.48)
(Increase)/ decrease in trade receivables	(4.33)	(48.20)
(Increase)/ decrease in Other assets	(9.93)	6.33
Increase/ (decrease) in provisions and other liabilities	174.52	39.30
Increase/ (decrease) in trade payables	7.70	(57.01)
Cash generated from operations	2,790.97	(406.53)
Less : Income taxes paid (net of refunds)	(307.84)	(415.06)
<b>Net cash from / (used in) operating activities (A)</b>	<b>2,483.13</b>	<b>(821.59)</b>
<b>Cash Flows From Investing Activities</b>		
Acquisition of property plant and equipment and Capital work-in-progress	(284.98)	(69.15)
Proceeds from disposal of Property, plant and equipment and Capital work-in-progress	2.85	7.39
(Purchase)/ disposal proceeds of Investments	-	-
(Investments in)/ Maturity of fixed deposits with banks	(2,353.60)	840.00
Interest income	204.28	216.07
<b>Net cash (used in) / from investing activities (B)</b>	<b>(2,431.45)</b>	<b>994.31</b>
<b>Cash Flows From Financing Activities</b>		
Finance costs	(19.29)	(20.07)
Dividend paid	(56.00)	(68.00)
Tax on dividend	(11.40)	(13.85)
<b>Net cash used in financing activities (C)</b>	<b>(86.69)</b>	<b>(101.92)</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>(35.01)</b>	<b>70.80</b>
Cash and cash equivalents at the beginning of the financial year	460.11	389.31
<b>Cash and cash equivalents at end of the year</b>	<b>425.10</b>	<b>460.11</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	39.93	24.99
- In Deposit Account (maturing within 3 months)	385.00	435.00
Cash on hand	0.17	0.12
	<b>425.10</b>	<b>460.11</b>

### For and on Behalf of the Board

**Unnamalai Thiagarajan**  
Managing Director

**G. Chellakrishna**  
Director

As per our Report of even date

**For MSKA & Associates**  
Chartered Accountants

**E. Kamakshi**  
Chief Financial Officer

**T. Joswa Johnson**  
Company Secretary

**Geetha Jeyakumar**  
Partner

Place : Chennai  
Date : 25th May, 2018

<b>Statement of Changes in Equity for the year ended March 31, 2018</b> (All amounts are in lakhs of Indian Rupees, unless otherwise stated)							
(A) Equity Share Capital	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		
Balance at the beginning of April 1, 2016			400.00				
Changes in equity share capital during the year			-				
Balance at the end of March 31, 2017			400.00				
Changes in equity share capital during the year			-				
Balance at the end of March 31, 2018			400.00				
(B) Other Equity							
Particulars							
<b>Balance as at April 1, 2016</b>	<b>2,712.21</b>	<b>2,071.64</b>	<b>25.75</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,809.60</b>
Additions/ (deductions) during the year	200.00	(281.85)	-	1.26	-	-	(80.59)
Profit for the year	-	783.48	-	-	-	-	783.48
<b>Balance as at March 31, 2017</b>	<b>2,912.21</b>	<b>2,573.27</b>	<b>25.75</b>	<b>1.26</b>	<b>-</b>	<b>-</b>	<b>5,512.49</b>
Additions/ (deductions) during the year	-	(67.40)	-	1.13	29.71	-	(36.56)
Profit for the year	-	899.90	-	-	-	-	899.90
<b>Balance as at March 31, 2018</b>	<b>2,912.21</b>	<b>3,405.77</b>	<b>25.75</b>	<b>2.40</b>	<b>29.71</b>	<b>-</b>	<b>6,375.84</b>

The accompanying notes form an integral part of the financial statements

**For and on behalf of the Board**

**Unnamalai Thiagarajan**  
Managing Director

**E. Kamakshi**  
Chief Financial Officer

Place : Chennai  
Date : 25th May, 2018

**G. Chellakrishna**  
Director

**T. Joswa Johnson**  
Company Secretary

As per our Report of even date  
**For MSKA & Associates**  
Chartered Accountants

**Geetha Jayakumar**  
Partner

## TWENTY SEVENTH ANNUAL REPORT 2017 - 18

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### Notes to Consolidated Financial Statements for the year ended March 31, 2018

#### 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

These Consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

#### Basis of preparation and presentation

For all periods up to and including the year ended March 31, 2017, the Company prepared its Consolidated financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

The Consolidated financial statements for the year ended March 31, 2018 are the first financial statements the Company has prepared in accordance with Ind AS with the date of transition as April 1, 2016. Refer to note 38 for information on how the Company adopted Ind AS.

The Consolidated 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 Consolidated financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, 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 Consolidated 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 Consolidated financial statements are approved for issue by the Company's Board of Directors on May 25, 2018.

### **2A Critical accounting estimates and management judgments**

The management believes that the estimates used in the preparation of Consolidated 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 Consolidated 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

## TWENTY SEVENTH ANNUAL REPORT 2017 - 18

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### **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.

## **2B Recent accounting pronouncements**

### **Standards issued but not yet effective**

Recent Indian Accounting Standards (Ind AS) Ministry of Corporate Affairs (“MCA”) through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the company has not applied as they are effective for annual periods beginning on or after April 1, 2018:

Ind AS 115 Revenue from Contracts with Customers

Ind AS 21 The Effect of Changes in Foreign Exchange Rates

Ind AS 115 – Revenue from Contracts with Customers

Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 - Revenue, Ind AS 11 - Construction Contracts when it becomes effective. The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customer. The Company has completed its evaluation of the possible impact of Ind AS 115 and will adopt the standard with all related amendments to all contracts with customers retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. Under this transition method, cumulative effect of initially applying Ind AS 115 is recognised as an adjustment to the opening balance of retained earnings of the annual reporting period. The standard is applied retrospectively only to contracts that are not completed contracts at the date of initial application. The Company does not expect the impact of the adoption of the new standard to be material on its retained earnings and to its net income on an ongoing basis.

## TWENTY SEVENTH ANNUAL REPORT 2017 - 18

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Ind AS 21 – The Effect of Changes in Foreign Exchange Rates The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The company does not expect the impact of the adoption of this standard to be material on its retained earnings and to its net income on an ongoing basis.

### **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.

## **TWENTY SEVENTH ANNUAL REPORT 2017 - 18**

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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**

#### **Deemed cost option for first time adopter of Ind AS**

Under the previous GAAP (Indian GAAP), property, plant and equipment were carried in the balance sheet at cost less accumulated depreciation. The Company has elected to consider the previous GAAP carrying amount of the Property, Plant and Equipment as the deemed cost as at the date of transition, viz., 1 April 2016.

### **Presentation**

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.

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### **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 (FVOCI) 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.

#### **Investment in Mutual Funds**

Investments in mutual funds are measured at fair value through profit and loss (FVTPL).

Classification	Name of the financial asset
Amortised cost	Trade receivables, Loans to employees, and others, deposits, interest receivable and other advances recoverable in cash.
FVTOCI	Equity investments in companies other than Subsidiaries and associates if an option is exercised at the time of initial recognition.
FVTPL	Other investments in equity instruments and mutual funds.

### **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, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

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.

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### **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 is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity).

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

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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).

### **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 determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 1, 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are operating leases.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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Rental expense 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 lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals, if any arising under operating leases are recognised as an expense in the period in which they are incurred.

### **k) Impairment of non financial assets**

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.

### **l) 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

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### Notes to Consolidated Financial Statements for the year ended March 31, 2018 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

#### 4 Property, plant and equipment

Particulars	Tangible Assets												Total	
	Land	Buildings	Plant and Machinery	Electrical Fittings	Furniture & Fixture	Fit outs	Computers	Air Conditioners	UPS	Others	Photocopier Machine	Multi level Car Park		Vehicles
<b>Deemed Cost as at April 1, 2016</b>	23.49	1,624.37	138.17	222.42	71.74	188.98	2.79	67.50	58.92	11.84	1.69	82.66	55.80	2,550.37
Additions	-	-	-	59.01	3.47	-	0.27	3.55	-	6.78	-	-	-	73.08
Disposals	-	-	-	(25.58)	-	-	-	(0.18)	(3.96)	(3.95)	-	-	-	(33.67)
<b>Cost as at March 31, 2017</b>	<b>23.49</b>	<b>1,624.37</b>	<b>138.17</b>	<b>255.85</b>	<b>75.21</b>	<b>188.98</b>	<b>3.06</b>	<b>70.87</b>	<b>54.96</b>	<b>14.67</b>	<b>1.69</b>	<b>82.66</b>	<b>55.80</b>	<b>2,589.78</b>
Additions	-	36.41	-	54.10	5.62	117.83	0.62	11.79	-	0.46	1.79	-	19.45	248.07
Disposals	-	-	-	-	-	-	-	(4.78)	-	-	(2.52)	-	(10.79)	(18.09)
<b>Cost as at March 31, 2018</b>	<b>23.49</b>	<b>1,660.78</b>	<b>138.17</b>	<b>309.95</b>	<b>80.83</b>	<b>306.81</b>	<b>3.68</b>	<b>77.88</b>	<b>54.96</b>	<b>15.13</b>	<b>0.96</b>	<b>82.66</b>	<b>64.46</b>	<b>2,819.76</b>
<b>Depreciation/ Amortisation</b>														
Charge for the year	-	53.09	30.19	53.36	33.65	88.65	1.76	14.97	14.62	5.79	0.94	15.10	17.66	329.78
Disposals	-	-	-	(21.78)	-	-	-	(0.11)	-	(3.90)	-	-	-	(25.79)
<b>As at March 31, 2017</b>	<b>-</b>	<b>53.09</b>	<b>30.19</b>	<b>31.58</b>	<b>33.65</b>	<b>88.65</b>	<b>1.76</b>	<b>14.86</b>	<b>14.62</b>	<b>1.89</b>	<b>0.94</b>	<b>15.10</b>	<b>17.66</b>	<b>303.99</b>
Charge for the year	-	53.39	30.20	40.19	24.77	62.96	1.02	14.89	13.65	5.43	0.57	15.10	17.76	279.92
Disposals	-	-	-	-	-	-	-	(4.78)	-	-	(2.52)	-	(8.37)	(15.67)
<b>As at March 31, 2018</b>	<b>-</b>	<b>106.48</b>	<b>60.39</b>	<b>71.77</b>	<b>58.42</b>	<b>151.61</b>	<b>2.78</b>	<b>24.97</b>	<b>28.27</b>	<b>7.32</b>	<b>(1.01)</b>	<b>30.20</b>	<b>27.05</b>	<b>568.24</b>
<b>Net Block</b>														
As at April 1, 2016	23.49	1,624.37	138.17	222.42	71.74	188.98	2.79	67.50	58.92	11.84	1.69	82.66	55.80	2,550.37
As at March 31, 2017	23.49	1,571.28	107.98	224.27	41.56	100.33	1.30	56.01	40.34	12.78	0.75	67.56	38.14	2,285.79
As at March 31, 2018	23.49	1,554.30	77.78	238.18	22.41	155.21	0.90	52.91	26.69	7.81	1.97	52.46	37.41	2,251.52

## Notes to Consolidated Financial Statements for the year ended March 31, 2018

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

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>5 Capital Work in Progress</b>			
Capital work in progress	36.91	-	3.92
	<b>36.91</b>	<b>-</b>	<b>3.92</b>
<b>6 Non-current assets - Financial Assets: Investments</b>			
<b>Investments in Equity shares in Others FVTPL</b>			
<b>Trade Unquoted</b>			
3,025,300 Equity Shares (As at March 31, 2017 & March 31, 2016: 3,025,300) of Rs.10 each fully paid up in IG3 Infra Ltd (Formerly known as Indian Green Grid Group Ltd)	344.28	302.53	302.53
<b>Investments in Mutual Funds FVTPL</b>			
<b>Trade Quoted</b>			
4,000,000 units (As at March 31, 2017 & March 31, 2016: 4,000,000 units) in Axis Bank Hybrid Series 27 Growth Fund	460.21	427.86	395.45
	<b>804.49</b>	<b>730.39</b>	<b>697.98</b>
<b>Total non-current investments</b>			
Aggregate amount of quoted investments	460.21	427.86	395.45
Aggregate market value of quoted investments	460.21	427.86	395.45
Aggregate cost of unquoted investments	302.53	302.53	302.53
<b>7 Other non-current financial assets</b>			
(Unsecured, considered good)			
Land Lease Deposit	6.49	6.04	5.62
Security deposit with electricity and other departments	72.26	68.43	61.92
Loans to staff	-	-	0.21
Lease Prepayments	865.99	878.23	890.47
Bank Deposits with more than 12 months maturity	200.00	1,655.00	-
	<b>1,144.74</b>	<b>2,607.70</b>	<b>958.22</b>
<b>8 Income Tax Assets (Net)</b>			
(Unsecured, considered good)			
Advance Income Tax (net of provisions)	75.93	114.48	154.15
	<b>75.93</b>	<b>114.48</b>	<b>154.15</b>

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

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>9 Other non-current assets</b>			
Miscellaneous expenses not written off	-	-	0.41
	<b>-</b>	<b>-</b>	<b>0.41</b>
<b>10 Current assets - Financial Assets: Trade receivables</b>			
Unsecured, considered good	235.52	231.19	182.99
	235.52	231.19	182.99
Less: Allowance for expected credit losses	-	-	-
	<b>235.52</b>	<b>231.19</b>	<b>182.99</b>
<b>11 Cash and cash equivalents</b>			
Balances with Banks			
In Current Account	39.93	24.99	14.08
In Deposit Account (maturing within 3 months)	385.00	435.00	375.00
Cash- on- Hand	0.17	0.12	0.23
	<b>425.10</b>	<b>460.11</b>	<b>389.31</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)	<b>3,575.00</b>	<b>1,225.00</b>	<b>2,065.00</b>
In earmarked bank accounts			
Unpaid Dividend Account	22.24	18.64	18.64
	<b>3,597.24</b>	<b>1,243.64</b>	<b>2,083.64</b>
<b>13 Other financial current assets</b>			
(Unsecured, considered good)			
Interest Receivable	223.03	101.00	89.32
Others	-	0.23	0.23
	<b>223.03</b>	<b>101.23</b>	<b>89.55</b>

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

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>14 Other current assets</b>			
(Unsecured, considered good)			
Advances to Suppliers	5.55	-	-
Advances to Employees	0.29	1.22	0.65
Balance with government authorities - Input tax credit receivable	9.06	0.94	1.88
Prepaid Expenses	17.41	19.51	28.36
Others	9.77	10.48	7.59
	<b>42.08</b>	<b>32.15</b>	<b>38.48</b>
<b>15 Equity Share Capital</b>			
<b>Authorised Share Capital</b>			
5,000,000 (March 31, 2017 & April 01, 2016: 5,000,000) Equity shares of 10 each	500.00	500.00	500.00
	<b>500.00</b>	<b>500.00</b>	<b>500.00</b>
<b>Issued, Subscribed and paid up Share Capital</b>			
4,000,007 (March 31, 2017 & April 01, 2016: 4,000,007) Equity shares of 10 each	400.00	400.00	400.00
	<b>400.00</b>	<b>400.00</b>	<b>400.00</b>
<b>Note:</b>			
<b>(a) Reconciliation of number of equity shares subscribed</b>			
Balance as at the beginning of the year	4,000,007	4,000,007	4,000,007
Add: Issued during the year	-	-	-
Balance at the end of the year	<b>4,000,007</b>	<b>4,000,007</b>	<b>4,000,007</b>
<b>(b) Rights, preferences and restrictions in respect of equity shares issued by the Company</b>			
1. The company has only one class of equity shares having a par value of Rs.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 25th May, 2018 has recommended for the dividend of INR 1.50 per equity share held (Previous year INR 1.40 per equity share held) at 15 % (previous year 14%) on Equity shares. The recommended dividend is subject to the approval of shareholders of the Company in the ensuing 27th 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.			

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

### (e) Shareholders holding more than 5% of the total share capital

Name of the share holder	March 31, 2018		March 31, 2017		April 1, 2016	
	No of shares	% of Holding	No of shares	% of Holding	No of shares	% of Holding
Electronics Corporation of Tamil Nadu Ltd	1,040,006	26.00%	1,040,006	26.00%	1,040,006	26.00%
Stur Technologies Pvt Ltd	450,000	11.25%	450,000	11.25%	450,000	11.25%
Southern Projects Management Pvt Ltd	254,371	6.36%	254,371	6.36%	254,371	6.36%
Shanmugam Thiagarajan	-	0.00%	369,483	9.24%	369,483	9.24%
IDBI Bank Ltd	369,483	9.24%	-	0.00%	-	0.00%

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>16 Other Equity</b>			
General Reserve	2,912.21	2,912.21	2,712.21
Retained earnings	3,405.77	2,573.27	2,071.64
Other Reserves - Capital Subsidy	25.75	25.75	25.75
Actuarial movement through Other Comprehensive Income	2.40	1.26	-
Reserve for equity instruments through Other Comprehensive Income	29.71	-	-
	<b>6,375.84</b>	<b>5,512.49</b>	<b>4,809.60</b>

#### a) General Reserve

Balance at the beginning of the year	2,912.21	2,712.21
Additions during the year	-	200.00
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.

#### b) Retained earnings

Balance at the beginning of the year	2,573.27	2,071.64
Net profit for the year	899.90	783.48
Less: Transfer to General Reserve		(200.00)
Dividends Paid	(56.00)	(68.00)
Taxes on Dividends Paid	(11.40)	(13.85)
Balance at the end of the year	<b>3,405.77</b>	<b>2,573.27</b>

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

Retained earnings represents the Company's undistributed earnings after taxes.

The Board has recommended on May 25, 2018, a dividend of Rs. 1.50 per share (15%) subject to the approval of the shareholders at the ensuing 27th Annual General Meeting.

	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	
<b>c) Other Reserves - Capital Subsidy</b>			
Balance at the beginning of the year	25.75	25.75	
Additions during the year	-	-	
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 Rs.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	1.26	-	
Additions during the year	1.13	1.26	
Balance at the end of the year	<b>2.40</b>	<b>1.26</b>	
<b>e) Reserve for equity instruments through Other Comprehensive Income</b>			
Balance at the beginning of the year	-	-	
Additions during the year	29.71	-	
Balance at the end of the year	<b>29.71</b>	-	
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.			
	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 1, 2016</b>
<b>17 Other non current financial liabilities</b>			
Non Cancellable Compensation Deposits	161.77	249.88	229.12
Token Deposit	5.59	5.04	4.20
Unamortised Interest income	28.11	0.19	-
	<b>195.47</b>	<b>255.11</b>	<b>233.32</b>
<b>18 Provisions (Non -current)</b>			
Provision for Employee Benefits			
Compensated absences (Refer Note 40)	3.19	6.25	8.78
Gratuity (Refer Note 40)	7.23	10.15	4.36
	<b>10.42</b>	<b>16.40</b>	<b>13.14</b>

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

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>19 Deferred Tax Liability/ (Asset) - Net</b>			
<b>Deferred Tax Liability</b>			
On Fixed Assets	67.86	81.87	108.59
Deferred Tax created on OCI Items	12.95	0.67	-
	<b>80.81</b>	<b>82.54</b>	<b>108.59</b>
<b>Deferred Tax Asset</b>	-	-	-
On expenses allowable for tax on payment basis	4.82	5.67	-
Amortisation of Land Registration Charges	13.51	13.56	13.74
	<b>18.33</b>	<b>19.23</b>	<b>13.74</b>
Net deferred tax liability	<b>62.48</b>	<b>63.31</b>	<b>94.85</b>
<b>20 Borrowings (Unsecured)</b>			
Loans and advances from related parties*			
Shanmugham Thiagarajan	366.25	366.25	366.25
Stur Technologies Private Ltd	60.09	60.09	60.09
	<b>426.34</b>	<b>426.34</b>	<b>426.34</b>
* repayable on demand			
<b>21 Trade Payables</b>			
Trade Payables	18.12	10.35	67.43
	<b>18.12</b>	<b>10.35</b>	<b>67.43</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	927.79	974.76	667.92
Compensation Deposit-maturing in 1 year (Non Cancellable)	371.15	95.66	384.72
Unpaid Dividend	22.24	18.64	18.64
Interest on disputed dividend (net)	1.46	1.47	1.47
Security Deposit	9.25	9.24	8.30
	<b>1,331.89</b>	<b>1,099.77</b>	1,081.05
<b>23 Provisions (Current)</b>			
Provision for Employee Benefits			
Compensated absences (Refer Note 40)	1.08	6.89	3.56
Gratuity (Refer Note 40)	2.41	2.72	3.36
	<b>3.49</b>	<b>9.61</b>	<b>6.92</b>

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

	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 1, 2016</b>
<b>24 Other current liabilities</b>			
Statutory dues	4.42	2.21	5.11
Employee benefits payable	8.09	11.01	11.26
	<b>12.51</b>	<b>13.22</b>	<b>16.37</b>
		<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
<b>25 Revenue from operations</b>			
Sale of Services			
Compensation Income	1,764.82	1,794.15	
Other operating revenues	456.55	472.45	
	<b>2,221.37</b>	<b>2,266.60</b>	
<b>26 Other income</b>			
Interest Income	326.31	227.75	
Other Non-Operating Income	40.65	34.34	
	<b>366.96</b>	<b>262.09</b>	
(i) Interest Income comprises of			
On Deposits	282.28	227.74	
On Loans to Employees	-	0.01	
On Income Tax Refund	44.03	-	
	<b>326.31</b>	<b>227.75</b>	
(ii) Other Non-Operating Income comprises of			
Profit on sale of Fixed Assets	0.43	-	
Income on investments carried at fair value through profit & loss	32.35	32.42	
Other Receipts	7.87	1.92	
	<b>40.65</b>	<b>34.34</b>	
<b>27 Employee benefits expense</b>			
Salaries and Wages	96.42	151.79	
Contributions to provident and other funds	9.15	17.75	
Staff welfare expenses	5.73	6.97	
	<b>111.30</b>	<b>176.51</b>	

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

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>28 Depreciation and amortisation expense</b>		
Depreciation of property, plant and equipment	279.92	329.78
	<b>279.92</b>	<b>329.78</b>
<b>29 Other expenses</b>		
Electricity	294.75	299.98
Diesel	46.11	39.91
Water	20.72	17.39
Rent including lease rentals	12.24	12.24
Repairs and maintenance		
Buildings	191.58	150.07
Machinery	32.40	45.93
Others	145.66	108.32
Insurance	12.02	11.32
Rates and taxes	30.23	23.94
Communication expenses	3.26	5.71
Travelling and conveyance	18.35	18.00
Printing and stationery	5.35	4.55
Business promotion expenses	10.43	6.63
Legal and professional charges	40.35	11.52
Payments to auditors (refer note below)	6.00	4.83
Sitting fees	9.24	6.58
Contribution towards Corporate Social Responsibility (refer note below)	20.26	17.95
Loss on sale of fixed assets	-	0.49
Miscellaneous expenses	42.57	6.66
Miscellaneous expenditure written off	3.15	3.92
Capital work in progress written off	-	0.41
	<b>944.67</b>	<b>796.34</b>
<b>Payments to auditors</b>		
For statutory audit	4.00	3.33
For taxation matters	1.00	0.75
For other services	1.00	0.75
	<b>6.00</b>	<b>4.83</b>

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

	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
<b>Expenditure on Corporate Social Responsibility</b>		
Gross amount required to be spent on Corporate Social Responsibility during the year	13.21	17.95
Amount spent during the year on		
(i) Construction and/ or acquisition of any asset	-	-
(ii) Other purposes [other than (i) above]	20.26	17.95
	<u>20.26</u>	<u>17.95</u>
Amount unspent during the year	Nil	Nil
<b>30 Finance costs</b>		
Implicit interest on compensation deposits	19.29	20.07
	<u>19.29</u>	<u>20.07</u>
<b>31 Income tax expense</b>		
<b>(a) Income tax expense</b>		
<b>Current tax</b>		
Current tax on profits for the year	370.00	455.00
Current tax for prior period	(23.61)	(0.27)
<b>Total current tax expense</b>	<u>346.39</u>	<u>454.73</u>
<b>Deferred tax</b>		
Deferred tax adjustments	(13.14)	(32.22)
<b>Total deferred tax expense/(benefit)</b>	<u>(13.14)</u>	<u>(32.22)</u>
<b>Income tax expense</b>	<u>333.25</u>	<u>422.51</u>
<b>(b) Reconciliation of tax expense and accounting profit for the year is as under:</b>		
<b>Profit before tax</b>	<b>1,233.15</b>	<b>1,205.99</b>
Income tax expense calculated 28.84% (Previous Year - 34.608%)	355.64	417.37
Tax Effect on non - deductible expenses (Net)	1.22	5.41
<b>Total</b>	<u>356.86</u>	<u>422.78</u>
Adjustments in respect of current income tax of previous year	(23.61)	(0.27)
<b>Tax Expense as per Statement of Profit and Loss</b>	<u>333.25</u>	<u>422.51</u>

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

### (c) Movement of deferred tax expense during the year ended March 31, 2018

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	(108.59)	-	-	(108.59)
Remeasurement of financial instruments under Ind AS	-	-	-	-
Other temporary differences	45.28	13.14	(12.28)	46.14
	(63.31)	13.14	(12.28)	(62.45)

### (d) Movement of deferred tax expense during the year ended March 31, 2017

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	(108.59)	-	-	(108.59)
Remeasurement of financial instruments under Ind AS		-	-	-
Other temporary differences	13.74	32.22	(0.67)	45.28
	(94.85)	32.22	(0.67)	(63.31)

**year ended**      **year ended**  
**March 31, 2018**   **March 31, 2017**

### 32 Earnings per share

Profit for the year attributable to owners of the Company	899.90	783.48
Weighted average number of ordinary shares outstanding	4,000,007	4,000,007
Basic earnings per share (Rs)	22.50	19.59
Diluted earnings per share (Rs)	22.50	19.59

### 33 Expenditure in foreign currency

NIL                      NIL

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

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

(a) The principal amount remaining unpaid at the end of the year	0.32	0.25
(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) Income Tax demand**

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

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

In the opinion of the management, the company has a strong case to defend based on the decisions of the ITAT, High Courts and judicial precedence.

**(ii) Lease Rent**

In respect of claim made by Electronics Corporation of Tamilnadu Limited (ELCOT) during the year 2009-10 for a sum of Rs.956 Lakhs towards difference in the computation of Lease Rent for the period from 14.02.1991 to 14.01.1999, the Company prima-facie has reasons that the claim is not tenable and hence, no provision is considered necessary.

During the year, ELCOT demanded interest on delayed payment of Lease Rent amounting to Rs.1,071 Lakhs for the period May 18, 2000 upto August 8, 2017. The management based on its assessment and legal advice obtained is confident of the outcome of the matters in its 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.

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

### 37 Operating lease arrangements

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

The Company has an operating lease arrangement for a period of 90 years. The company does not have an option to purchase the leased land at the expiry of the lease period

Lease payments recognised as an expense	For the year ended March 31, 2018	For the year ended March 31, 2017
Minimum lease payments	12.24	12.24

Future minimum lease payments under non-cancellable operating leases	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Not later than 1 year	12.24	12.24	12.24
Later than 1 year but not later than 5 years	61.20	61.20	61.20
Later than 5 years	792.55	804.79	817.03

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

Operating leases relate to the properties owned by the company with lease terms of between 1 to 10 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. The future minimum lease payments are as follows:

Future minimum lease payments under non-cancellable operating leases	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Not later than 1 year	704.00	376.91	371.27
Later than 1 year but not later than 5 years	2,207.05	135.45	507.36
Later than 5 years	-	-	-

### 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.

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

The following table summarises the capital of the Company:

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Equity	400.00	400.00	400.00
Debt	426.34	426.34	426.34
Cash and cash equivalents	425.10	454.68	383.87
<b>Net debt</b>	<b>1.24</b>	<b>(28.34)</b>	<b>42.47</b>
<b>Net Debt to Equity ratio</b>	<b>0.31</b>	<b>(7.08)</b>	<b>10.62</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	March 31, 2018	March 31, 2017	April 1, 2016
<b>Financial assets</b>			
<b>a. Measured at amortised cost</b>			
Other non-current financial assets	1,144.74	2,607.70	958.22
Trade receivables	235.52	231.19	182.99
Cash and cash equivalents	425.10	454.68	383.87
Bank balances other than above	3,597.24	1,243.64	2,083.64
Other current financial assets	223.03	101.00	89.32
<b>b. Mandatorily measured at fair value through profit or loss (FVTPL)</b>			
Investments - Level 1	460.21	427.86	395.45
<b>c. Mandatorily measured at fair value through profit or loss (FVTOCI)</b>			
Investments - Level 2	344.28	302.53	302.53
<b>Financial liabilities</b>			
<b>a. Measured at amortised cost</b>			
Borrowings	426.34	426.34	426.34
Other non-current financial liabilities	195.47	255.11	233.32
Trade payables	18.12	10.35	67.43
Other financial liabilities	1,331.89	1,099.77	1,081.05

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### **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, 2018, March 31, 2017 and April 1, 2016.

### **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.

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

**(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.

**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.

March 31, 2018	Due in 3 months	Due in 3 months to 1st year	Due in 1st to 5th year	Due after 5th year	Total Carrying amount
Trade payables	18.12	-	-	-	18.12
Cancellable & Non Cancellable Deposits	584.30	126.83	717.41	61.66	1,490.21
Other financial liabilities	9.25	23.70	-	-	32.95
Other current Liabilities	4.43	8.09	-	-	12.52
	<b>616.10</b>	<b>158.62</b>	<b>717.41</b>	<b>61.66</b>	<b>1,553.80</b>

March 31, 2017	Due in 3 months	Due in 3 months to 1st year	Due in 1st to 5th year	Due after 5th year	Total Carrying amount
Trade payables	10.43	-	-	-	10.43
Cancellable & Non Cancellable Deposits	471.20	261.33	606.92	-	1,339.45
Other financial liabilities	9.24	20.11	-	-	29.35
Other current Liabilities	2.21	11.01	-	-	13.22
	<b>493.08</b>	<b>292.45</b>	<b>606.92</b>	-	<b>1,392.45</b>

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

April 1, 2016	Due in 3 months	Due in 3 months to 1st year	Due in 1st to 5th year	Due after 5th year	Total Carrying amount
Trade payables	67.43	-	-	-	67.43
Cancellable & Non Cancellable Deposits	-	138.13	1,082.32	100.34	1,320.79
Other financial liabilities	8.30	20.11	-	-	28.41
Other current Liabilities	5.11	11.26	-	-	16.37
	<b>80.84</b>	<b>169.50</b>	<b>1,082.32</b>	<b>100.34</b>	<b>1,433.00</b>

	March 31, 2018	March 31, 2017	April 1, 2016
<b>Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):</b>	Nil	Nil	Nil

### 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)
<b>Other Enterprises with which promoter has significant influenc</b>	IG3 Infra Ltd Stur Technologies Pvt Ltd

<b>Key management personnel</b>	
Mrs. Unnamalai Thiagarajan	Managing Director
Thiru T.K. Karthik	Chief Financial Officer (till 08.07.2017)
Thirumathi E Kamakshi	Chief Financial Officer (from 09.02.2018)
Thiru S. Lakshmi Narasimhan	Company Secretary till 10.11.2017
Thiru.T.Joswa Johnson	Company Secretary from 08.12.2017

<b>Relatives of Key management personnel</b>	
Thiru Shanmugham Thiagarajan	Spouse of Managing Director

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

**b) Transactions during the year**

<b>S. No</b>	<b>Nature of transactions</b>	<b>Year ended March 31, 2018</b>	<b>Year ended March 31, 2017</b>
1	Electronics Corporation of Tamil Nadu Ltd (ELCOT)		
	Lease Rent	12.24	12.24
	Sitting Fees	0.70	0.70
2	Mrs. Unnamalai Thiagarajan		
	Remuneration	14.00	14.00
3	Thiru T.K. Karthik (part of the year)		
	Remuneration	8.30	19.74
	Contribution to PF and Other Funds	0.46	1.53
4	Thirumathi E Kamakshi (part of the year)		
	Remuneration	8.98	NA
	Contribution to PF and Other Funds	0.69	NA
5	S. Lakshmi Narasimhan		
	Remuneration	6.04	8.31
	Contribution to PF and Other Funds	3.75	0.59
6	T.Joswa Johnson		
	Remuneration	1.83	NA
	Contribution to PF and Other Funds	0.15	NA

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

<b>S. No</b>	<b>Particulars</b>	<b>Year ended March 31, 2018</b>	<b>Year ended March 31, 2017</b>
1	Electronics Corporation of Tamil Nadu Ltd (ELCOT)		
	Deposit given for leasehold land	872.48	884.27
2	Shri. Shanmugham Thiagarajan		
	Unsecured Loans	366.25	366.25
3	Stur Technologies Pvt Ltd		
	Unsecured Loans	60.09	60.09
	Interest on disputed dividend	1.46	1.47

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

### d) Investment in Equity shares

S. No	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
1	IG3 Infra Ltd (Formerly Indian Green Grid Group Ltd)	344.28	302.53
2	Elnet Software City Ltd (subsidiary Co)	-	5.58

#### 40 Retirement benefit plans

##### Defined contribution plans

The total expense recognised in profit or loss of Rs. 7.23 lakhs (for the year ended March 31, 2017: Rs. 9.71 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, 2018. 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, 2018 by Mr. S. Krishnan, 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.

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

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, 2018	March 31, 2017
Mortality Table	Indian Assured Lives (2006-08) Ultimate	Indian Assured Lives (2006-08) Ultimate
Discount Rate	7.50% p.a.	7.00% p.a.
Rate of increase in compensation level	12.00% p.a.	12.00% p.a.
Employee Attrition rate	9.50% p.a.	10.00% p.a.
Rate of Return on Plan Assets	7.52% p.a.	8.00% 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.

Amounts recognised in total comprehensive income in respect of these Gratuity plan is as follows:	March 31, 2018	March 31, 2017
Current service cost	3.72	5.59
Net interest expense	2.07	2.46
Return on plan assets (excluding amounts included in net interest expense)	(1.29)	-
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>4.50</b>	<b>8.05</b>

Remeasurement on the net defined benefit liability comprising:	March 31, 2018	March 31, 2017
Actuarial (gains)/losses recognised during the period	(2.75)	(1.93)
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>(2.75)</b>	<b>(1.93)</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..

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<b>The amount included in the balance sheet arising from the Company's obligation in respect of its Gratuity plan is as follows:</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Present value of defined benefit	27.94	31.34
Fair value of plan assets	(18.31)	(18.47)
<b>Net liability/ (asset) arising from defined benefit obligation</b>	<b>9.63</b>	<b>12.87</b>
Funded	9.63	12.87
	<b>9.63</b>	<b>12.87</b>

The above provisions are reflected under 'Provision for employee benefits- gratuity' (Long and short-term provisions) [Refer note 17 and 22].

<b>Movements in the present value of the defined benefit obligation in the current year were as follows:</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Opening defined benefit obligation	31.34	35.22
Current service cost	3.72	5.59
Interest cost	2.07	2.46
Actuarial (gains)/losses	(2.36)	(1.93)
Benefits paid	(6.83)	(10.00)
Closing defined benefit obligation	<b>27.94</b>	<b>31.34</b>

<b>Movements in the fair value of the plan assets in the current year were as follows:</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Opening fair value of plan assets	18.47	27.50
Adjustments to the opening balance	1.80	-
Return on plan assets	1.29	-
Contributions	3.18	0.97
Benefits paid	(6.82)	(10.00)
Actuarial gains/(loss)	0.39	-
Closing fair value of plan assets	<b>18.31</b>	<b>18.47</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.

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

**Maturity profile of benefit payments**

Incidence of Payment	March 31, 2018
By the end of First Year	1,071,315
Between Year 1 and Year 2	-
Between Year 2 and Year 3	-
Between Year 3 and Year 4	-
Between Year 4 and Year 5	-
Between Year 5 and Year 10	2,329,027

**(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, 2018	March 31, 2017
Mortality Table	Indian Assured Lives (2006-08) Ultimate	Indian Assured Lives (2006-08) Ultimate
Discount Rate	7.50% p.a.	7.00% p.a.
Rate of salary escalation	12.00% p.a.	12.00% p.a.
Employee Attrition rate	10% 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.

Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:	March 31, 2018	March 31, 2017
Current service cost	1.02	8.50
Net interest expense	0.69	0.61
Actuarial (gains)/losses recognised during the period	(3.93)	1.09
Return on plan assets (excluding amounts included in net interest expense)	-	-
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>(2.22)</b>	<b>10.20</b>

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<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>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Present value of defined benefit obligation	4.27	13.14
Fair value of plan assets	-	-
<b>Net liability/ (asset) arising from defined benefit obligation</b>	<b>4.27</b>	<b>13.14</b>
Unfunded	4.27	13.14

The above provisions are reflected under 'Provision for employee benefits- Compensated Absences (Long and short-term provisions) [Refer note 17 and 22].

<b>Movements in the present value of the defined benefit obligation in the current year were as follows:</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Opening defined benefit obligation	13.14	12.34
Current service cost	1.02	8.50
Interest cost	0.69	0.61
Actuarial (gains)/losses	(3.93)	1.09
Benefits paid	(6.65)	(9.40)
Closing defined benefit obligation	<b>4.27</b>	<b>13.14</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 Notes on Consolidation of Accounts

The board of directors of one subsidiary company (Elnet software city limited) at their meeting held on 28th August, 2017 made a declaration of solvency and approved the proposal for voluntary winding up of the affairs of the subsidiary company. The Members of the subsidiary have approved the voluntary winding up process by a special resolution passed on 01st September, 2017. The Liquidator has made the application for dissolution before the Honorable National Company Law tribunal, Chennai Bench under the provisions of Insolvency and bankruptcy code, 2016 read with rules thereon. Pursuant to the same, the Holding Company lost control on the subsidiary company w.e.f 01st September 2017 and hence consolidation have been prepared till that date.

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

## **42 First-time adoption of Ind AS**

### **Transition to Ind AS**

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 3 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 1, 2016 (The company's date of transition).

In preparing its opening Ind AS balance sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards generally applicable to the Company (as amended from time to time) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous GAAP to Ind AS has affected The company's financial position, financial performance and cash flows is set out in the following tables and notes.

### **A. Exemptions and exceptions availed**

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

#### **A.1 Ind AS optional exemptions**

##### **A.1.1 Deemed cost for PPE and Intangibles**

Ind AS 101 permits a first-time adopter to elect to fair value a class of property, plant and equipment or to continue with the carrying value for all of its PPE as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities.

Accordingly, the company has elected to continue the property, plant and equipment at their previous GAAP values.

##### **A.1.2. Designation of previously recognised financial instruments**

Ind AS 101 allows an entity to designate investments in equity instruments at FVTOCI or FVTPL on the basis of the facts and circumstances at the date of transition to Ind AS. The company has elected to apply this exemption for its investment in equity investments.

##### **A.1.3. Leases**

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The company has elected to apply this exemption for such contracts/ arrangements.

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### **A.2 Ind AS mandatory exceptions**

#### **A.2.1 Estimates**

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company made estimates for impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

#### **B. Notes to first-time adoption**

##### **B.1 Fair valuation of security deposits**

As per Ind AS 109, the company is required to fair value long term monetary assets and liabilities for the possible impact of discounting for time value of money. Accordingly, the Company has considered the impact of discounting for time value of money in its Ind AS financial statements..

##### **B.2 Recognition of lease income/ payments**

As per Ind AS 17, the Company is required straight line the lease rents only if the escalation is not in the nature of compensation for increase in cost inflation index. Accordingly, the Company has considered the impact of each of the agreements and accounted in its Ind AS financial statements.

##### **B.3 Fair valuation of financial assets and liabilities**

Under Ind AS, financial assets and liabilities are to be valued at amortised cost or fair valued through profit and loss (FVTPL) or fair valued through other comprehensive income (FVTOCI) based on the Company's business objectives and the cash flow characteristics of the underlying financial assets and liabilities. The Company has remeasured the financial assets and liabilities as on the date of transition and the consequential impact has been given in the opening retained earnings.

##### **B.4 Proposed dividends**

Under Ind AS, liability to pay dividends arises only when the share holders approves the dividends recommended by the board of directors. Till such approval the proposed dividends does not meet the recognition criteria of a liability. The Company has accordingly, reversed the provisions for proposed dividends and the related taxes. Only a disclosure as required by Ind AS has been made

##### **B.5 Remeasurement of post-employment benefit obligations**

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. Adjustments have been made for such re-classifications. However, this does not have any impact on equity/ profits for the year

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

### 43 Key reconciliation required as per Ind AS 101 on transition to Ind AS

#### (a) Reconciliation of Total Equity as at 31 March 2017 and 1 April 2016

Particulars	As at March 31, 2017	As at April 1, 2016
<b>Total equity / shareholders' funds as per Indian GAAP</b>	<b>6,017.91</b>	<b>5,300.44</b>
<b>Ind AS Adjustments</b>		
Fair valuation of Compensation Deposits given/ taken	(206.74)	(207.16)
Impact of rent straight lining	(12.24)	-
Impact of unwinding implicit interest on Compensation Deposit received	17.04	39.03
Fair Valuation of investments in mutual funds	27.86	(4.55)
Proposed dividends and dividend distribution tax reversed	67.40	81.84
Remeasurment of Post employment benefit obligations (Net of tax)	1.26	-
<b>Total equity/ shareholders' funds as per Ind AS</b>	<b>5,912.49</b>	<b>5,209.60</b>

#### (b) Reconciliation of profit or loss for the year ended 31 March 2017

Particulars	Notes to first-time adoption	Indian GAAP*	Adjustments	Ind AS
<b>INCOME</b>				
Revenue from operations		2,266.60	-	2,266.60
Other income	g (i)	229.25	32.84	262.09
<b>Total income</b>		<b>2,495.85</b>	<b>32.84</b>	<b>2,528.69</b>
<b>EXPENSES</b>				
Employee benefits expense	g (iv)	174.58	1.93	176.51
Depreciation and amortisation expense		329.78	-	329.78
Other expenses	g (ii)	784.10	12.24	796.34
Finance costs	g (iii)	-	20.07	20.07
<b>Total expenses</b>		<b>1,288.46</b>	<b>34.24</b>	<b>1,322.70</b>
<b>Profit before exceptional items and tax</b>		<b>1,207.39</b>	<b>(1.40)</b>	<b>1,205.99</b>
Exceptional items		-	-	-
<b>Profit before tax</b>		<b>1,207.39</b>	<b>(1.40)</b>	<b>1,205.99</b>

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Particulars	Notes to first-time adoption	Indian GAAP*	Adjustments	Ind AS
<b>Income tax expense</b>				
Current tax		454.73	-	454.73
Deferred tax		(32.22)	-	(32.22)
<b>Total income tax expense</b>		<b>422.51</b>	-	<b>422.51</b>
<b>Profit for the year</b>		<b>784.88</b>	<b>(1.40)</b>	<b>783.48</b>
<b>Other comprehensive income</b>				
Re-measurement gains/ (losses) on defined benefit plans	g (iv)	-	1.93	1.93
Income tax effect	g (iv)	-	(0.67)	(0.67)
<b>Other comprehensive income for the year</b>		-	<b>1.26</b>	<b>1.26</b>
<b>Total comprehensive income for the year</b>		<b>784.88</b>	<b>(0.14)</b>	<b>784.74</b>

### (c) Reconciliation of equity as at date of transition 1 April 2016

Particulars	Notes to first-time adoption	Indian GAAP*	Adjustments	Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		2,550.37	-	2,550.37
Capital work in progress		3.92	-	3.92
Financial assets				
Investments	g (i)	702.53	(4.55)	697.98
Other financial assets	g (ii)	1,165.38	(207.16)	958.22
Income Tax Assets (Net)		154.15	-	154.15
Other non-current assets		0.41	-	0.41
<b>Total non-current assets</b>		<b>4,576.76</b>	<b>(211.71)</b>	<b>4,365.05</b>

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

Particulars	Notes to first-time adoption	Indian GAAP*	Adjustments	Ind AS
<b>Current assets</b>				
Financial assets				
Trade receivables		182.99	-	182.99
Cash and cash equivalents		389.31	-	389.31
Bank balances other than above		2,083.64	-	2,083.64
Other financial assets		89.55	-	89.55
Other current assets		38.48	-	38.48
<b>Total current assets</b>		<b>2,783.97</b>	-	<b>2,783.97</b>
<b>Total assets</b>		<b>7,360.73</b>	<b>(211.71)</b>	<b>7,149.02</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		400.00	-	400.00
Other equity		4,900.44	(90.84)	4,809.60
<b>Total Equity</b>		<b>5,300.44</b>	<b>(90.84)</b>	<b>5,209.60</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities			-	
Other financial liabilities	g (iii)	272.35	(39.03)	233.32
Provisions		13.14	-	13.14
Deferred Tax Liabilities (net)		94.85	-	94.85
<b>Total non-current liabilities</b>		<b>380.34</b>	<b>(39.03)</b>	<b>341.31</b>
<b>Current liabilities</b>				
Financial liabilities				
Borrowings		426.34	-	426.34
Trade payables		67.43	-	67.43
Other financial liabilities		1,081.05	-	1,081.05
Short Term Provisions	g (iv)	88.76	(81.84)	6.92
Other current liabilities		16.37	-	16.37
<b>Total current liabilities</b>		<b>1,679.95</b>	<b>(81.84)</b>	<b>1,598.11</b>
<b>Total equity and liabilities</b>		<b>7,360.73</b>	<b>(211.71)</b>	<b>7,149.02</b>

\* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

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### (d) Reconciliation of equity as at 31 March 2017

Particulars	Notes to first-time adoption	Indian GAAP*	Adjustments	Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		2,285.79	-	2,285.79
Financial assets				
Investments	g (i)	702.53	27.86	730.39
Other Financial Assets	g (ii)	2,826.68	(218.98)	2,607.70
Income Tax Assets (Net)		114.48	-	114.48
Other non-current assets		-	-	-
<b>Total non-current assets</b>		<b>5,929.48</b>	<b>(191.12)</b>	<b>5,738.36</b>
<b>Current assets</b>				
Financial assets				
Trade receivables		231.19	-	231.19
Cash and cash equivalents		460.11	-	460.11
Bank balances other than cash and cash equivalents		1,243.64	-	1,243.64
Others		101.23	-	101.23
Other current assets		32.15	-	32.15
<b>Total current assets</b>		<b>2,068.32</b>	<b>-</b>	<b>2,068.32</b>
<b>Total assets</b>		<b>7,997.80</b>	<b>(191.12)</b>	<b>7,806.68</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		400.00	-	400.00
Other equity		5,617.91	(105.42)	5,512.49
<b>Total equity</b>		<b>6,017.91</b>	<b>(105.42)</b>	<b>5,912.49</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
Borrowings				
Other financial liabilities	g (iii)	274.08	(18.97)	255.11

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

Particulars	Notes to first-time adoption	Indian GAAP*	Adjustments	Ind AS
Provisions		16.40	-	16.40
Deferred Tax Liabilities (net)		62.64	0.67	63.31
<b>Total non-current liabilities</b>		<b>353.12</b>	<b>(18.30)</b>	<b>334.82</b>
<b>Current liabilities</b>				
Financial liabilities				
Borrowings		426.34	-	426.34
Trade payables		10.43	-	10.43
Other financial liabilities		1,099.77	-	1,099.77
Other current liabilities		13.22	-	13.22
Provisions	g (v)	77.01	(67.40)	9.61
<b>Total current liabilities</b>		<b>1,626.77</b>	<b>(67.40)</b>	<b>1,559.37</b>
<b>Total Liabilities</b>		<b>1,979.89</b>	<b>(85.70)</b>	<b>1,894.19</b>
<b>Total Equity and liabilities</b>		<b>7,997.80</b>	<b>(191.12)</b>	<b>7,806.68</b>

\* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

**(e) Impact of Ind AS adoption on cash flow statements for the year ended 31 March 2017**

	Indian GAAP*	Adjustments	Ind AS
Net cash flow from operating activities	1,578.46	(2,400.04)	(821.59)
Net cash flow from investing activities	(1,505.05)	2,499.36	994.31
Net cash flow from financing activities	(62.61)	(39.31)	(101.92)
Net increase / (decrease) in cash and cash equivalents	10.79	60.00	70.80
Cash and cash equivalents as at 1 April 2016	14.31	374.99	389.31
Cash and cash equivalents as at 31 March 2017	25.10	435.00	460.11

\* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

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**(f) Analysis of changes in cash and cash equivalent for the purpose of statement of cash flows under Ind AS:**

	As at 31-03-2017	As at 01-04-2016
Cash and cash equivalents as per Indian GAAP	25.10	14.31
Cash and cash equivalents as per Ind AS	460.11	389.31

**(g) Notes to first-time adoption**

- (i) Investments
- a) Investments in mutual funds have been fair valued through Statement of Profit & Loss (FVTPL) in accordance with Ind AS 109. the consequential impact on remeasurement has been given in the opening retained earnings.
- b) Investment in equity shares in others has been fair valued through Other Comprehensive Income (FVTOCI).
- (ii) Land Lease Deposit
- Lease deposit made with ELCOT has been fair valued for the possible impact of discounting for time value of money and recognised at amortised cost as at the date of transition 1st April, 2016 as per Ind AS 109.
- Notional interest income on lease deposit is accounted to recoup the deposit to the actual amount and the difference between the actual lease deposit and its fair value is accounted for as notional rent expense on straight line basis over the lease term of 90 years.
- (iii) Cancellable and Non cancellable Compensation Deposits
- As per Ind AS 109, the company has fair valued long term monetary security deposits for the possible impact of discounting for time value of money and recognised at amortised cost at inception.
- Notional interest expense on security deposit is accounted to recoup the deposit to the actual amount.
- (iv) Defined benefit liabilities
- Both under Indian GAAP and Ind AS, the Company recognized costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to Statement of Profit and Loss. Under Ind AS, re-measurements comprising of actuarial gains and losses are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.
- (v) Proposed Dividend
- Liability to pay dividends arises only when the share holders approves the dividends recommended by the board of directors. Till such approval the proposed dividends does not meet the recognition criteria of a liability. The Company has accordingly, reversed the provisions for proposed dividends and the related taxes. Only a disclosure as required by Ind AS has been made.

**For and on behalf of the Board**

**Unnamalai Thiagarajan**  
Managing Director

**E. Kamakshi**  
Chief Financial Officer

Place : Chennai  
Date : 25th May, 2018

**G. Chellakrishna**  
Director

**T. Joswa Johnson**  
Company Secretary

**ELNET TECHNOLOGIES LIMITED**

CIN: L72300TN1990PLC019459

Registered office: Elnet Software City,

TS 140, Block No.2 & 9, Rajiv Gandhi Salai, Taramani, Chennai – 600 113

Phone No. : 91 - 44 - 2254 1791/93; Fax: 91 - 44 - 2254 1955

E-Mail: elnet@md4.vsnl.net.in; website: www.elnettechnologies.com

**ATTENDANCE SLIP**

**27<sup>TH</sup> ANNUAL GENERAL MEETING - 9TH AUGUST, 2018**

DP ID		Client ID	
Folio No		No of Shares	

I certify that I am a registered shareholder/ proxy for the registered shareholder of the Company and I hereby record my presence at the **27<sup>TH</sup> ANNUAL GENERAL MEETING** of the Members of the Company held on Thursday, 9th August, 2018 at 11.00 A.M at New Woodlands Hotel Pvt. Ltd. located at No.72-75, Dr. Radhakrishnan Salai, Mylapore, Chennai-600004

\_\_\_\_\_  
**Shareholder's/Proxy's name in BLOCK LETTERS**

\_\_\_\_\_  
**Signature of Shareholder/Proxy**

**Note:** Please fill attendance slip and hand it over at the entrance of the meeting hall.

## TWENTY SEVENTH ANNUAL REPORT 2017 - 18

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### ATTENTION TO SHAREHOLDERS WHO ARE HOLDING SHARES IN PHYSICAL MODE

#### UPDATION OF PAN, BANK ACCOUNT AND EMAIL

Dear Non- Demat Shareholders,

We draw your attention to the circular issued by Securities and Exchange Board of India (SEBI) No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20/04/2018. In point no. 12 (ii) of the Annexure to its circular had directed all the listed companies to send a communication to all its shareholders, who are holding shares in physical form and obtain copy of the PAN of all the holders and Bank account details of the first / sole shareholder of the company.

These guidelines are issued by SEBI to streamline and strengthen the procedures and processes with regard to handling and maintenance of records, transfer of securities and payment of dividend/interest/redemption by the RTAs, issuer Companies and Bankers to Issue.

To comply with above mentioned SEBI circular, the eligible shareholders would receive the communication along with the necessary format to be filled in and to submit the following documents with our company's Registrar and Share Transfer Agent (RTA).

- Copy of self-attested PAN card of the shareholders including joint holders, if any
- Bank a/c details of the first/sole shareholder, as per the Bank Mandate
- Original cancelled cheque leaf with the name of the first/sole shareholder printed on it or copy of bank passbook showing name & account details of the account holder attested by the bank

On receipt of the above mentioned documents along with the said format duly filled and received your end, RTA will update the same in their records for furtherance. RTA may be contacted through the following address.

#### **CAMEO CORPORATE SERVICES LIMITED**

Subramanian Building, No.1 Club House Road, Chennai 600 002, Tamilnadu.

Ph: 91-44-28460390 / 91-44-40020700 (Board);

Email: investor@cameoindia.com; Web: www.cameoindia.com

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### ATTENTION TO NON-DEMAT SHAREHOLDERS TO DEMAT THEIR SHARES.

Pursuant to the amendment in Regulation 40 of SEBI (LODR) Regulations, 2015, SEBI has mandated that transfer of securities would be carried out in dematerialized form only with effect from 5th December, 2018. SEBI has advised Listed Companies and their Registrars and Transfer Agents (RTAs) that with effect from December 5, 2018, they should be ensured that shares which are lodged for transfer shall be in dematerialized form only.

Hence, we hereby intimate the shareholders who are holding shares in physical form to get their shares dematerialised to comply with the above Regulations.

\* The above is an additional information to the physical shareholders to be proactive and it shall not be construed as Reminder letter as per the SEBI circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018 and BSE circular LIST/COMP/15/201819 dated July 05, 2018.

**Regards,**  
**Company Secretary & Compliance Officer**  
**Elnet Technologies Limited**



# ELNET TECHNOLOGIES LIMITED

CIN: L72300TN1990PLC019459

Registered office: Elnet Software City,

TS 140, Block No.2 & 9,Rajiv Gandhi Salai, Taramani,Chennai – 600 113

Phone No. : 91 - 44 - 2254 1791/93; Fax: 91 - 44 - 2254 1955

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## PROXY FORM

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

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

I/We, being the member(s) of \_\_\_\_\_ shares of Elnet Technologies Limited, hereby appoint

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

as my / our proxy to attend and vote (on a poll) for me / us on my behalf at the 27th Annual General Meeting of the Company to be held on Thursday,9th day of August 2018 at 11.00 a.m. at New Woodlands Hotel Pvt. Ltd, 72-75 Dr. Radhaksihnan Road, Mylapore, Chennai-600004 and at any adjournment thereof in respect of such resolutions are indicated below:

Resolution No.	Resolution	For	Against
1	Adoption of Audited Standalone and consolidated Financial Statements for the Financial Year ended 31st March, 2018 and the Reports of the Board of Directors and the Statutory Auditors thereon.		
2	Declaration a dividend of Rs. 1.50 per equity Share for the Financial Year ended 31st March, 2018.		
3	Appointment a director in place of Thiru J. Ravi (DIN:00042953) who retires by rotation and being eligible seeks himself for re-appointment.		
4	Fixing Remuneration to Statutory Auditors		
5	Re-appointment of Tmt Unnamalai Thiagarajan (DIN:00203154), as Managing Director.		

Signed this \_\_\_\_\_ day of August, 2018

Signature of Shareholder : \_\_\_\_\_ Signature of Proxy holder(s) : \_\_\_\_\_

Affix  
₹ 1/-  
Revenue  
Stamp

**Notes:** This form of proxy in order to be effective, should be duly completed and deposited at the Registered Office of the Company situated at Elnet Software City,TS 140, Block No.2 & 9, Rajiv Gandhi Salai, Taramani, Chennai-600113. not less than 48 hours before the commencement of the Meeting.

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## **ELNET TECHNOLOGIES LTD**

Elnet Software City,  
TS 140, Block No. 2 & 9, Rajiv Gandhi Salai, Taramani, Chennai - 600 113.