

## **ELECTRONICS CORPORATION OF TAMILNADU LTD**

### **DIRECTORS REPORT TO SHAREHOLDERS**

Your Directors are pleased to present the Forty Sixth Annual Report of the Company along with Financial Statement for the year ended 31<sup>st</sup> March 2023.

#### **I. FINANCIAL PERFORMANCE**

Key Highlights of the Company's financial performance in comparison with the performance during the previous financial year are tabulated below:

<b>Particulars</b>	<b>Year ended 31.03.2023</b>	<b>Year ended 31.03.2022</b>
	<b>(Rs. In Lakhs)</b>	
Gross Profit before Interest/Depreciation including adjustments	6091.27	6003.28
Interest and Other Finance charges	3682.76	2524.99
Cash Profit	2408.51	3478.29
Depreciation	306.31	250.73
Profit for the Financial Year	2102.19	3227.56
<b>Add:</b> Profit brought forward from earlier years	22594.24	21286.46
<b>Less:</b> Interim Dividend Paid	-	-
Tax on Interim Dividend paid	-	-
Total Funds available for Appropriation	24696.43	24514.02
Provision for Taxation	520.50	761.02
Provision for Deferred Tax	256.34	461.64
***Dividend Paid	777.92	850.83
<b>Add:</b> Other Comprehensive Income	97.67	(206.33)
<b>Add:</b> Adjustment to Reserves	(3.21)	360.04
Balance Carried Forward	23236.13	22594.24
Earnings per share (Basic and diluted)	0.00549	0.00694



## **II. DIVIDEND:**

As per G.O. (Ms). No. 123, Finance (BPE) Department, dated 19.05.2014, the State Public Sector Undertakings shall declare dividend at the following rates:

- i) 30% of Net Profit (after tax) **or**
- ii) 30% of Paid up Share Capital

**Whichever is higher**, subject to availability of disposable profits.

Based on the above G.O., the Directors of ELCOT have proposed to declare dividend at the rate of 30% of Paid up Share Capital Rs. 777.91 Lakhs (30% of Rs. 2593.05 Lakhs) which is higher than 30% on Net Profit after tax amounting to Rs. 397.610 Lakhs (30% of Rs.1325.36 Lakhs). The dividend, if approved and declared in the forthcoming AGM, would result in a dividend outflow of Rs. 777.91 Lakhs.

The Net Profit after Tax and Dividend is transferred to Reserves and Surplus.

## **III. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND UNDER SECTION 125 OF THE COMPANIES ACT, 2013**

Dividend declared during the previous year has been fully paid. Hence, there was no transfer to Investor Education and Protection Fund for the year under report.

## **IV. STATUS OF AFFAIRS OF THE COMPANY – CORE ACTIVITIES**

### **1. IT PARKS PROMOTION**

Tamil Nadu Government played a vital role with a vision to make the state as Destination of Choice for Information Technology (IT) and Information Technology Enabled Services (ITeS) industries and initiated the Information Technology infrastructural promotional activities in right time and accelerated the growth of IT and ITeS in Tamil Nadu.

- ELCOT has played a pioneer role in the creation of 8 Special Economic Zones (SEZs) in Chennai and in Tier-II Cities of the State viz., Coimbatore, Madurai (2 sites), Tiruchirappalli, Salem, Tirunelveli and Hosur at a total extent of 1288.2 acres of land (1231.65 acres in SEZ and 56.55 acres in non-SEZ space) with investment of about



Rs.844.57 crore.This has created employment opportunities in the rural areas in the IT/ITeS industry.

- Construction of IT Buildings to meet the growing demand of quality IT space for export oriented MSMEs and other IT/ITeS companies
  - Information Technology Tower with a built up area of 2.33 lakh sq. ft at an estimated cost of Rs.88.21 crore is under progress at Sholinganallur, Chennai.
  - Information Technology Tower with a built up area of 2.66 lakh sq. ft at an estimated cost of Rs.114.16 crore is under progress at Vilankurichi, Coimbatore.
  - Information Technology Tower with a built up area of 1.16lakh sq. ft at an estimated cost of Rs.48.10crore is under progress at Navalpattu, Trichy.
  
- To promote Tamil Nadu as a preferred destination of choice for IT and ITeS investments, ELCOT has participated in the following events:
  - National Conference 2023 from 26<sup>th</sup> to 28<sup>th</sup> June 2023 in Perth, western Australia, NASSCOM Future work conference held on September 14<sup>th</sup> 2023 at Chennai.
  
- ELCOT is also the Certification Authority under the ICT Policy 2018 for availing additional Floor Space Index (FSI) for IT Parks and Nodal Agency for Tamil Nadu Data Centre Policy.

## **2. ELCOT –TELECOM DIVISION**

### **GRANT OF RIGHT OF WAY PERMISSIONS AND GRIEVANCE REDRESSAL & MONITORING OF TELECOM INFRASTRUCTURES**

Government formulated and released Tamil Nadu Telecom Infrastructure Policy 2022 vide G.O.(Ms.) No.4, Information Technology (E1) Department, dated 25.01.2022. As per the direction of Government, ELCOT implemented an online portal to grant ROW permissions to the Telecom Service Provider/ Infrastructure Provider (TSP/IP) in a time-bound and transparent manner. TSP/IP can obtain clearances/approvals for various services such as Optical Fibre Cable (Underground & Over ground), Erection



of Tower (Above Building & Above the land). As per the TN ROW policy, existing infrastructures are also captured into the system and regularization is being carried out.

Government designated Managing Director, ELCOT as Grievance Redressal Officer vide G.O.(Ms.) No.09, Information Technology & Digital Services (E1) Department, dated 28.02.2023 to address the grievances of Telecom related issues and allocated all the subject matters relating to "Telecom Infrastructure" to ELCOT for better monitoring. ELCOT Since then, ELCOT has been conducting regular review meetings with District Authorities concerned, Service Providers along with DOT officials on weekly basis for speedy clearance of ROW permissions.

The Status of grant of Permissions as on **01.04.2022 to 31.03.2023** is as given below:

Category	Application Received A=B+C+D+E	Application Approved (B)	Application Rejected (C)	Total pending (D)	Seeking Clarification (E)
Regularization of existing Infrastructure	35359	24435	6812	3972	140
Establishing New Infrastructure	4340	2084	995	1160	101

### Permanent Enrolment Centres

ELCOT has been identified as one of the Enrolment agency by the UIDAI to carry out Aadhaar related activities under TNeGA as Registrar. ELCOT established Permanent Enrolment Centres and delivering services from October '2016. Presently there are 237 PECs across various locations such as 33-District Collectorate premises, 18 - Municipal Corporation Headquarters, 41- Municipal Zonal offices, 117- Municipalities, 8- Town Panchayats, 2- Revenue Divisional Offices, 12- Block Development Offices, 2 -Village Panchayats, 1 -Special Townships, 1- Treasuries & Accounts Office Premises, and 2 -Provident Fund offices.



2,59,815 New Aadhaar enrollments has been carried out and 11,45,873 Aadhaar Demographic Updations has been delivered. The Transaction count done at all Permanent Enrolment Centres (PECs) from 01.04.2022 to 31.03.2023 is 14,05,688.

### **PERMANENT ENROLMENT CENTRES (PECS) IN EDUCATIONAL BLOCKS UNDER SAMAGRA SHIKSHA**

ELCOT has been selected as an Enrolment Agency by School Education Department Samagra Shiksha to establish Aadhaar Enrolment Centre in 505 centres at all 385 Educational Blocks for providing Aadhaar related services to school students. At the initial stage,120 Aadhaar service centres have been established in 120 Educational Blocks from 03.01.2022. 95,751 Nos. of new Aadhaar enrolment and 4,45,423 Nos. of Aadhaar update from 03.01.2022 to 31.03.2023

### **3.INFORMATION TECHNOLOGY – INFRASTRUCTURE**

#### **CONNECTIVITY SERVICES**

#### **TAMIL NADU STATE WIDE AREA NETWORK (TNSWAN)**

It is a scheme jointly started by the Central and State Governments under the National e-Governance Plan (NeGP). TNSWAN commenced its operations with 708 Points of Presence (PoPs) that have now increased to 829 PoPs. TNSWAN enables State Government departments to access their applications, services and servers hosted in Tamil Nadu State Data Centre (TNSDC) in a secured manner. It is being used by 3000+ offices of various departments of the Government of Tamil Nadu. TNSWAN provides voice, data and video connectivity to all Government departments, enables efficient workflow in the Government and facilitates delivery of services to the citizens.

The National Knowledge Network (NKN)has been integrated with TNSWAN at district. PoPs as per the guidelines of the Ministry of Electronics and Information Technology (MeitY), Government of India.

#### **TNSWAN PHASE-2 EXTENSION**

The Government of Tamil Nadu had approved the extension of TNSWAN Phase-2 operations for a period of 6 months up to 13.08.2023. The proposal has been sent to Government to extend to the period upto 13.02.2024.



## **OTHER CONNECTIVITY SERVICES**

### **MPLS VPN CONNECTIVITY**

Multi-Protocol Label Switching Virtual Private Network (MPLS VPN) is being provided as a redundant connection to TNSWAN. ELCOT provides MPLS VPN connectivity services to around 99 offices of Tamil Nadu Government departments.

### **INTERNET LEASED LINE CONNECTIVITY**

Internet Leased Line connectivity is being provided to 250 Government offices on a dedicated basis.

### **VPNOBB CONNECTIVITY**

Virtual Private Network over Broadband (VPNoBB) is a cost effective alternative for providing Intranet access at lower bandwidth. ELCOT provides VPNoBB connectivity to 279 Government offices.

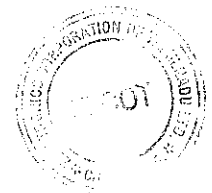
## **HOSTING AND ALLIED SERVICES**

Tamil Nadu State Data Centre (TNSDC) is a critical infrastructure that enables delivery of secured e-Services. State Government departments and their agencies can host their data, applications, services and servers on a common, redundant, secured and controlled infrastructure providing ease of operation, integration and efficiency.

The bandwidth of existing connectivity has been upgraded from 1 Gbps to 4 Gbps to ensure seamless access of applications/services hosted in Tamil Nadu State Data Centre for various departments of the Government of Tamil Nadu.

### **TAMIL NADU STATE DATA CENTRE-1 (TNSDC-I)**

The Government of Tamil Nadu implemented the first ISO certified State Data Centre (TNSDC-1) in the country in 2011. It was operationalized with a capacity of about 62 racks at a budget of Rs.138 crore for a period of 12 years.



## **TAMIL NADU STATE DATA CENTRE-II (TNSDC-II)**

As TNSDC-I has been almost completely utilised, TNSDC-II, the second phase of TNSDC, was established and operationalised from the year 2020 at a budget of Rs.74.7 crore. The Data Centre can accommodate 138 racks. Its modular design supports seamless scale up. More than 327 applications/services are currently hosted in TNSDC-I, TNSDC-II and Cloud 'Thamizh Megam'. The e-Office application of the State's initiative for paperless office has been deployed at TNSDC and State level roll out is in progress.

## **TAMIL NADU DISASTER RECOVERY CENTRE (TNDRC)**

The Tamil Nadu Disaster Recovery Centre (TNDRC) was established at ELCOSEZ, Tiruchirappalli and has been operational from the year 2018. This provides business continuity for various critical e-Governance applications hosted in TNSDC in the event of any breakdown or disaster.

## **THAMIZH MEGAM-TN CLOUD COMPUTING SERVICES**

The State cloud infrastructure, trademarked as 'Thamizh Megam', enables optimal sharing of system resources with minimal management. It is operational since 2016 at a cost of Rs.23.94 crore. At Thamizh Megam, Infrastructure-as-a-Service (IaaS) and Platform-as-a-Service (PaaS) are being offered and 200 applications/services have been hosted in Cloud Environment.

### **e-Security**

## **SECURITY ARCHITECTURE FOR TNSDC**

To ensure data protection of Government applications/services, a high level Security Architecture Framework has been implemented with High-End Router, Next-Generation Firewall, Distributed Denial of Services (DDOS), Web Application Firewall (WAF), Intrusion Prevention System (IPS), Intrusion Detection System (IDS), Virtual Private Network (VPN) Concentrator, Modular Core Switch and Security Information and Event Management (SIEM). Vulnerability Assessment and Penetration Testing (VAPT) is conducted periodically on the hosted applications/services through CERT-In empaneled agencies to ensure security of applications/services.



## **CYBER SECURITY ARCHITECTURE FOR TAMIL NADU (CSA-TN)**

Cyber Security Architecture for Tamil Nadu (CSA-TN) has been established to counter cyber-attacks in collaboration with the Centre for Development of Advanced Computing (C-DAC), Chennai, at a cost of Rs.21.39 crore for a period of 3 years.

The three pillars of Information Security Management System (ISMS), namely, People, Process and Technology are strengthened as below:-

### **PEOPLE**

a. Departments are assigned with a Chief Information Security Officer (CISO)/Information Security Officer (ISO) for the department employees to reach out to in case of any cyber related issues/threats. Periodically, CISO/ISO are given training on Cyber Security awareness.

b. Classroom-based and virtual training are conducted across Tamil Nadu to educate the department officials on how to secure their assets and report incidents.

c. Cyber Security Incident Response Team – A trained pool of experts on Cyber Security is made available for prompt response and recovery in case of any cyber incident.

### **PROCESS**

a. National Institute of Standards and Technology (NIST) - The NIST cyber security framework is a powerful tool to organize and improve the cyber security program. It is a set of guidelines and best practices to help organisations build and improve their cyber security posture with 5 main functions, namely, identify, protect, detect, respond and recover. CSA-TN is one of the pioneers in implementing NIST for State-wide Cyber Security Program.

b. The release of a strong Cyber Security Policy to identify and protect against threats.





c. A helpdesk section of CSA-TN helps departments with rescue activities in case of defacing/hacking/breaching using quicker and reliable channels to detect, respond to and recover from cyber incidents.

d. The Cyber Crisis Management Plan (CCMP) for cyber resilience defines how the organizational plan to respond to a cyber incident can work the difference between success and failure of a Cyber Security Program. The speed at which the CMG (Crisis Management Group) and CMC (Crisis Management Cell) identify and mitigate such incidents makes a significant difference in controlling their risks, costs and exposure. A comprehensive CCMP document is being charted out.

e. Regular auditing of the systems/workstations of the entire State is planned and execution is already underway.

## **TECHNOLOGY**

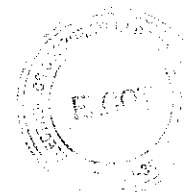
a. Complete Security Operation Centre (SOC) and Network Operation Centre (NOC) have been established as part of CSA-TN to monitor the critical assets.

b. Security Information and Event Management (SIEM) solution are established as part of SOC-TN to prevent attacks for critical assets. As on date.

c. Antivirus installation -To prevent any cyber attack at Secretariat, around 2,533 machines were identified and completely scanned. Antivirus (AV) software was installed in around 813 machines for which AV had expired.

## **IMPLEMENTATION OF FREE WI-FI ZONES IN POPULAR PUBLIC PLACES**

As per the announcement made by Hon'ble Minister for Finance and Human Resource Management, Free WiFi to be provided at the proposed places of Chennai, Tambaram, Avadi, Coimbatore, Madurai, Trichy and Salem. Seeking feasibility for provision of free Wi-Fi zones for around 5000 locations, in the proposed 7 corporations, meetings were conducted with all the stake holders. In continuation to the meeting, Greater Chennai



Corporation (GCC) and Directorate of Municipal Administration (DMA) shared 5590 and 152 locations.

Single Point of Contact (SPOC) has been nominated by the respective Corporations for speedy implementation and for coordinating with the stake holders.

ACT Fibernet has submitted their feasibility and requirements for the implementation of Free Public Wifi Project. Prioritization of the first 1000 locations is being done in consultation with Local bodies in the identified categories of Parks, Government Hospitals, Bus Stops and Government Colleges. Initially 1000 locations have will be commissioned before end of December 2023 and will be extended further to other locations.

#### **4. PROCUREMENT ACTIVITIES**

Through Transparent procurement methods, ELCOT has achieved significant price reduction on the market value of IT products. During the financial year of 2022 – 23, IT products for a value of Rs. 255Crores were procured and supplied to the various Government Departments”

ELCOT has deployed an e-Procurement Portal <https://eproc.elcot.info> ease the procurement services between Government to Government (G2G). This portal will stream line interactions between ELCOT, user department and vendors.

#### **V. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY THAT HAD OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENT RELATES TO THE DATE OF THE REPORT.**

No material change / commitment affecting the financial position of the company occurred between the end of the financial year to which this financial statement relates to the date of the report.

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



The provisions of Section 134 (m) of the Companies Act, 2013 do not apply to our Company. There were year under review no foreign exchange earnings and outgo during the.

#### **VII. RISK MANAGEMENT**

The Company does not have any risk management policy as the elements of risk threatening the Company's existence is very minimal.

#### **VIII. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

The Board of Directors considered and approved the recommendations of the Corporate Social Responsibility (CSR) for the contribution of Rs. 40,00,000/- (Rupees Forty Lakshs Only) to Namma School Foundation (TN Model Schools) for the financial Year 2022 - 23.

#### **IX. PARTICULARS OF LOANS AND GUARANTEES ON THE INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013.**

There were no loans and guarantees on the investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

#### **X. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES.**

There were no contracts or arrangements as defined under Section 188 of the Company's Act 2013 during the year under review

#### **XI.CONSTITUTION OF NOMINATION & REMUNERATION COMMITTEE UNDER THE COMPANIES ACT, 2013.**

Nomination & Remuneration is not applicable to ELCOT as the Board of Directors of the Company are IAS., Officers and Senior Bureaucrats.

The provision of Section 178 (1) relating to constitution of nomination and recommendation committee are not applicable to the Company and hence the Company has not devised any policy relating thereto on Director's appointment, payment of remuneration and discharge of their duties as provided under section 178 (3) of the Company's Act 2013.



## **XII. EXTRACTS OF ANNUAL RETURN**

The extracts of Annual Return as per Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rule 2014, will be published in website, if necessary.

## **XIII. MEETING OF THE BOARD OF DIRECTORS**

During the Financial year ended 31<sup>st</sup> March 2023, the Company held Meetings of the Board of Directors as per Section 173 of Companies Act, 2013 which is summarized below. The provisions of Companies Act, 2013 were adhered to while considering the time gap between two meetings.

<b>Sl. No</b>	<b>Date of Board Meeting held</b>	<b>Board Strength</b>	<b>No. of Directors Present</b>
1	227/ 29.06.2022	8	6
2	228/ 29.08.2022	8	6
3	229/ 19.09.2022	8	7
4	230/ 12.01.2023	7	7

## **XIV. DEPOSITS**

The Company has neither accepted nor renewed any deposits during the year 2022-23.

## **XV. CHANGE IN THE BOARD OF DIRECTORS FOR THE YEAR 2022-23.**

During the period under review there were changes in the Composition of Board of Directors.

<b>Sl No</b>	<b>Appointment</b>	<b>Cessation</b>	<b>Date of change</b>
1.	Tmt.Asha Ajith, I.A.S.,	Tmt. K.M.Sarayu, I.A.S.,	29.05.2022
2.	Thiru. Praveen P. Nair, I.A.S.,	Thiru. K.Vijayandra Pandian, I.A.S.,	12.06.2022
3.	Tmt. Jayashree Murali Dharan, I.A.S.,	Thiru. Pankaj Kumar Bansal, I.A.S.,	12.06.2022
4.	Tmt. E. Sundaravalli, I.A.S.,	Thiru. T. Anand, I.A.S.,	12.06.2022
5.	Thiru. Praveen P. Nair, I.A.S.,	Thiru. Ajay Yadav, I.A.S.,	20.12.2022



## **XVI. STATUTORY AUDITORS**

M/s. M. Srinivasan & Associate - Chartered Accountants has been appointed by Comptroller and Auditor General of India as Statutory Auditors for the year 2022-23. Vide letter No. CA.V/COY/TAMIL NADU, ELECTN (1)/172, Dated:26/08/2022.

## **XVII. COMPOSITION OF AUDIT COMMITTEE**

Currently, the following Directors are the members of the Audit Committee of the Board of Directors for the Financial Year 2022-23.

1.	Managing Director, TIDCO	Chairman
2.	Managing Director SIPCOT	Member
3.	Director representing Finance Department	Member
4.	Executive Director - TN Guidance	Member

## **XIX. SHARE CAPITAL**

The paid up Capital as on 31<sup>st</sup> March 2023 is Rs.2593.05 lakhs.

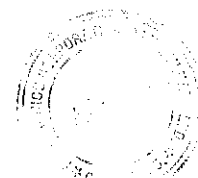
## **XX.HUMAN RESOURECS (HR) RELATIONS**

Your Directors are pleased to report that the Industrial Relations during the year continued to be cordial.

## **XXI. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Companies Act 2013, the Board hereby submits its responsibility statements:

- i. In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- ii. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the Financial Year and of the profit of the Company for that period.



- iii. The Directors had taken proper and sufficient care for the maintenance of the adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The Directors had prepared the Annual Accounts on a going concern basis.
- v. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **ACKNOWLEDGEMENT**

Your Directors wish to place on record the assistance and guidance given by the Government of Tamil Nadu in general and especially through the Department of Information Technology and Digital Services & Finance and the office of the Accountant General (Commercial -II). They acknowledge the services of the Company's bankers in furthering the activities of the Company. Your Directors would also like to record their appreciation for the co-operation and contribution made by all the officers and staff of the Company.

Your Directors thank the customers and suppliers for their patronage and support. Your Directors also record their appreciation of the services by the Concurrent and Statutory Auditors in the matter of audit.

For and on behalf of the Board of Directors.

  
Dr. S. ANEESH SEKHAR, I.A.S.,  
MANAGING DIRECTOR

  
Thiru. J. KUMARAGURUBARAN, I.A.S.,  
CHAIRMAN

Chennai - 600035

Date -



**INDEPENDENT AUDITORS' REPORT**

To the Members of Electronics Corporation of Tamil Nadu Limited  
Revised Report based on the CAG's Audit observations

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

**Opinion**

We have audited the financial statements of Electronics Corporation of Tamil Nadu Limited ("the Company"), which comprise the balance sheet as at March 31, 2023, and the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profits, total comprehensive income, the changes in equity and its cash flows for the year ended as on that date.

The Comparative financial information for the year ended 31<sup>st</sup> March 2023 and the transition date of opening balance sheet as at 1<sup>st</sup> April 2022 included in these standalone Ind As financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies(Accounting Standards) Rules 2006 audited by predecessor auditors for the year ended 31<sup>st</sup> March 2022 and 31<sup>st</sup> March 2021 vide their report dated 29<sup>th</sup> August 2022 and 2<sup>nd</sup> December 2021 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the company on transition to Ind As which have been audited by us.

Our opinion is not modified in respect of these matters.

**Basis for opinion**

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

**Key audit matters**

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

Reporting of Key Audit matters as per SA 701, Key Audit Matters are not applicable to the company as it is an unlisted company.



**Information other than the financial statements and auditors' report thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's responsibility for the financial statements**

The Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these 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 the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other accounting principles generally accepted in India.

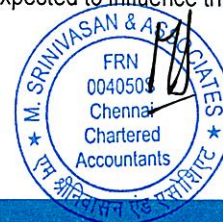
This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making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

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

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

**Auditors' responsibilities for the audit of the financial statements**

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





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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143 (3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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



**Report on other legal and regulatory requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The balance sheet, the statement of profit and loss including other comprehensive income, statement of changes in equity and the statement of cash flows dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;
  - (e) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". 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 Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note no 35 to the financial statements;
    - b. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
    - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company



- d. The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts,
- No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities 'Intermediaries', with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company 'Ultimate Beneficiaries' or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - No funds have been received by the company from any person(s) or entity(ies), including foreign entities 'Funding Parties', with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party 'Ultimate Beneficiaries' or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - Based on audit procedures carried out by us, that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.
- e. In our opinion and according to the information and explanations given to us, the dividend declared or paid during the year by the company is in compliance with section 123 of the Companies Act, 2013.
- f. In our opinion, as proviso to rule 3 (1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

Place: Chennai

Date : 15/11/2023

UDIN: 23022959BGPWYX7747

**For M. SRINIVASAN & ASSOCIATES**  
Chartered Accountants  
FRN 004050S



**M. SRINIVASAN**  
Partner  
M.No. 022959



**Annexure "A" to the Independent Auditor's Report**

(Referred to in paragraph 1 under 'Report on other legal and regulatory requirements' section of our report to the members of Electronics Corporation of Tamil Nadu Limited of even date;

1. (a) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant and equipment in the designated software.

The Company has Intangible asset which is under development and right of use assets accounted in accordance with Ind AS 116.

- (b) The Company did not have a program of verification to cover all the items of property, plant and equipment in a phased manner over a period of three years.
- (c) In our opinion and according to the information and explanations given to us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

In respect of immovable properties of land and building that have been taken on lease and disclosed as property, plant and equipment in the financial statements, the lease agreements are in the name of the Company.

- (d) The Company has not revalued its property, plant and equipment (including right of use asset) during the year. Accordingly, paragraph 3 (i) (d) of the Order is not applicable.
- (e) In our opinion and according to the information and explanations given to us, there are no proceedings initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, paragraph 3 (i) (e) of the Order is not applicable.
2. (a) The Company has no inventories except the inventory of VHF Equipments where in 10% of the Carrying cost shown as final orders from Hon'ble High court of Madras is awaited.
- (b) The Company has no sanctioned working capital limit in excess of Rs. Five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. and hence the filing of quarterly returns or statements does not arise.
3. In our opinion and according to information and explanation given to us, the Company has not made investments in/ provided any guarantee or security/ granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties in which the directors are interested. Accordingly, paragraph 3 (iii) of the Order is not applicable.
4. In our opinion and according to information and explanation given to us, the Company has not granted any loans or provided any guarantees or given any security to which the provisions of section 125 of the Act are applicable.



# M. Srinivasan & Associates

## Chartered Accountants

In respect of investments made by the Company and loans given to parties other than those covered in Section 185 of the Act, the Company had complied with the provisions of section 186 of the Act.

5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits during the year. Accordingly, paragraph 3 (v) of the Order is not applicable.
6. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the same.
7. In our opinion and according to the information and explanations given to us:
  - (a) Amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been generally regularly deposited by the Company with the appropriate authorities.

No undisputed amounts payable in respect of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2023, for a period of more than six months from the date they became payable.

- (b) Details of statutory dues referred to in sub-clause (a), which have not been deposited on account of dispute are given below:

Statute	Nature of dues	Amount (INR in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax*	30.89	2001-02	ITAT, Chennai
Income Tax Act, 1961	Income Tax*	49.00	2003-04	ITAT Chennai
Income Tax Act, 1961	Income Tax*	70.37	2004-05	CIT Appeals
Income Tax Act, 1961	Income Tax*	119.87	2006-07	ITAT, Chennai
Income Tax Act, 1961	Income Tax*	11.63	2008-09	ITAT, Chennai
Income Tax Act, 1961	Income Tax*	166.20	2010-11	ITAT, Chennai
Income Tax Act, 1961	Income Tax*	168.37	2013-14	ITAT, Chennai
Income Tax Act, 1961	Income Tax*	3.93	2014-15	ITAT, Chennai
Income Tax Act, 1961	Income Tax*	127.73	2015-16	ITAT, Chennai

\* Net of taxes paid under protest and adjusted by the department against refund due for other assessment years.




8. In our opinion and according to the information and explanations given to us, there are no transactions not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, paragraph 3 (viii) of the Order is not applicable.
9. (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) In our opinion and according to the information and explanations given to us, the Company is not declared as a wilful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us, the term loans obtained during the year were applied for the purpose for which they were availed.
- (d) In our opinion and according to the information and explanations given to us, funds raised on short term basis have not been utilised for long term purposes.
- (e) According to the information and explanations given to us and on an overall information of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
10. (a) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3 (x) (a) of the Order is not applicable.
- (b) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, paragraph 3 (x) (b) of the Order is not applicable.
11. (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by any person has been noticed or reported during the year. Accordingly, paragraphs 3 (xi) (a) and (b) of the Order are not applicable.
- (b) To the best of our knowledge and according to the information and explanations given to us, no whistle-blower complaints, have been received by the Company during the year.
12. The Company is not a Nidhi Company and accordingly, Paragraphs 3 (xii) of the Order is not applicable.
13. In our opinion and according to the information and explanations given to us, the transactions with the related parties are in compliance with section 177 and 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system, commensurate with the size and nature of its business.



- (b) The reports of the internal auditors for the year under audit were considered by us, as part of our audit procedures.
15. In our opinion and according to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable.
16. (a) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.
- (b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3 (xvi) (c) of the Order is not applicable.
- (d) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) and it does not have any other companies in the Group. Accordingly, paragraph 3 (xvi) (d) of the Order is not applicable.
17. The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
18. There has been no resignation of the statutory auditors during the year. Accordingly, paragraph 3 (xviii) of the Order is not applicable.
19. In our opinion and according to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the board of directors and management plans, there are no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
20. (a) In our opinion and according to the information and explanations given to us, in respect of other than ongoing projects, there are no unspent amounts to be transferred to a fund specified in Schedule VII to the Act.
- (b) In our opinion and according to the information and explanations given to us, there are no amount remaining unspent under sub-section (5) of section 135 of the Act, pursuant to any ongoing project, to be transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act.
21. In our opinion and according to the information and explanations given to us, the Company have investments in subsidiaries/ associates or joint venture companies. Further according to the information and explanations given to us, there have been no qualifications or adverse remarks by the respective Auditors in their Auditor's Report.

For **M. SRINIVASAN & ASSOCIATES**  
Chartered Accountants  
FRN 004050S

Place: Chennai  
Date : 15/11/2023  
UDIN: 23022959BGPWYX7747

  
**M. SRINIVASAN**  
Partner  
M.No. 022959



9 | Page

**Annexure “B” to the Independent Auditor’s Report**

(Referred to in paragraph 2 (f) under ‘Report on other legal and regulatory requirements’ section of our report to the Members of Electronics Corporation of Tamil Nadu Limited of even date)

**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”)**

We have audited the internal financial controls over financial reporting of Electronics Corporation of Tamil Nadu Limited (“the Company”) as at March 31, 2023, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management’s responsibility for Internal Financial Controls**

The Board of Directors of the Company 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. 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, 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 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.

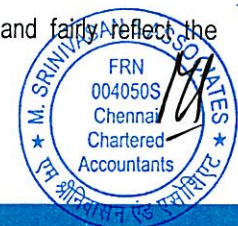
Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal 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 auditor’s judgement, including the assessment of the risks of material misstatement in 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 control 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

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;





- (ii) 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
- (iii) 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 of 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 and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Chennai  
Date: 15/11/2023  
UDIN: 23022959BGPWYX7747

For **M. SRINIVASAN & ASSOCIATES**  
Chartered Accountants  
FRN 004050S

  
M. SRINIVASAN  
Partner  
M.No. 022959



**Annexure C**

Report to the Comptroller and Auditor General of India under Sub section 5 of section 143 of the Companies Act, 2013 [‘the Act’]

In response to the sub directions u/s 143 [5] of the Act issued by the Comptroller an Auditor General of India [C & AG]. Our comments are given below:

1. Whether the Company has taken adequate measures to prevent encroachment of the idle land owned by it ? Whether any land of the company is encroached, under litigation, not put to use of declared surplus? Details may be provided

Based on our enquiry and verification we had with the management, we were informed that the Company has taken adequate measures to prevent encroachment like regular inspection of site by officials to monitor encroachment. Further we were informed by the company that it has constructed Compound walls around the campus in all the SEZ's except Tirunelveli. The company owns Eight Special Economic Zones, out of which Seven Special Economic Zones were secured by compound walls. The Tirunelveli Special Economic Zone does not have compound wall and we were told that the company is in the process of obtaining budget approval for constructing the wall.

Based on our scrutiny, enquiry and verification we were informed that there is no encroachment of the land held by the Company or no litigation pending in relation to such encroachments.

2. Whether system for monitoring the execution of work vis-à-vis milestone stipulated in the agreement is in existence and the impact of cost escalation, if any, revenues / losses from contracts etc., have been properly accounted for in the books?

Based on our scrutiny, enquiry and verification of Contracts, Agreements, documents, RA Bills etc. the Company has the system of monitoring the execution of works vis-à-vis milestone stipulated in the agreement. Our analysis of "PSK Engineering Construction & Co" which carries out the project in Sholinganallur reveals that the Contractor has asked for the extension of time from 5th October to 31st August 2022 due to current pandemic, which was accommodated by the Companies management. Though the duration of project has increased by more than a year, the request letter from contractor does not carry any request for escalation.

There is a system of analyzing the revenue / losses from contracts and the same is accounted in books properly.

3. Whether funds received for specific schemes from Central / State agencies were properly accounted for / utilized? List the cases of deviation

Based on our review of the information provided, documents produced and related discussion with the Company's management. The funds received for the specific schemes from the Central / State agencies were accounted properly as per its terms and conditions.

4. Whether the bang guarantees have been revalidated in time?

Yes, the Company has the process of revalidating the guarantees in time.

5. The cost incurred on abandoned projects may be quantified and the amount actually written off shall be mentioned.

Based on the review, enquiry and explanation provided by the management, we were informed that there were no projects that were abandoned by the Company for which the costs are written off in books of account.

Place: Chennai  
Date: 15/11/2023  
UDIN: 23022959BGPWYX7747

**For M. SRINIVASAN & ASSOCIATES**  
Chartered Accountants  
FRN 004050S


**M. SRINIVASAN**  
Partner  
M.No. 022959



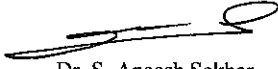
(Rs. In lakhs)


	Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
<b>I.</b>	<b>ASSETS</b>				
(1)	<b>Non - current assets</b>				
	(a) Property, Plant and Equipment	2	1,056.51	1,123.10	1,242.32
	(b) Right of Use Assets	2	659.20	1,138.72	2,217.59
	(c) Capital Work in progress	2	19,146.71	12,424.82	4,995.31
	(d) Investment Properties	2	47,089.10	46,601.26	48,041.09
	(e) Intangible assets under development	2	6.12	4.88	-
	(f) Financial assets				
	(i) Investments	3	8,431.94	8,431.94	8,431.97
	(ii) Loans and advances	4	3.64	3.64	3.64
	(iii) Trade receivables	5	49.22	134.92	131.27
	(iv) Others- Fixed Deposit with TNPFC	6	58,200.00	42,700.00	36,884.88
	(g) Deferred tax assets (net)	18	382.77	892.11	908.95
	(h) Other non - current assets	7	13,371.42	11,048.12	11,186.83
(2)	<b>Current assets</b>				
	(a) Inventories	8	17.37	17.37	17.37
	(b) Financial assets				
	(i) Trade receivables	9	292.99	987.10	1,439.92
	(ii) Cash and cash equivalents	10	4,219.78	6,340.48	5,963.24
	(iii) Loans and advances	11	6.35	112.09	8.06
	(iv) Others- Fixed Deposit with TNPFC	12	11,500.00	16,700.00	33,700.00
	(c) Other current assets	13	1,177.12	1,271.07	2,826.33
	<b>TOTAL</b>		<b>1,65,610.23</b>	<b>1,49,931.64</b>	<b>1,57,998.76</b>
<b>II.</b>	<b>EQUITY AND LIABILITIES</b>				
(1)	<b>Equity</b>				
	(a) Equity Share capital	14	2,593.05	2,593.05	2,593.05
	(b) Other equity	15	29,133.69	28,491.79	27,184.01
(2)	<b>Liabilities</b>				
	<b>Non - current liabilities</b>				
	(a) Financial liabilities	16			
	(i) Long Term Borrowings		-	-	12.44
	(ii) Other Financial Liabilities		3,518.54	1,823	3,725
	(b) Provisions	17	879.81	1,013.71	713.86
	(c) Deferred Tax Liability (net)				
	(d) Other Non - current liabilities	19	48,363.74	49,181.68	49,525.85
	<b>Current liabilities</b>				
	(a) Financial liabilities				
	(i) Trade payables	20			
	a) Total outstanding dues of micro enterprises and small enterprises		-	-	-
	b) Total outstanding dues of creditors others than micro enterprises and small enterprises		1,119.45	987.31	917.01
	(ii) Other financial liabilities		-	-	-
	(b) Other current liabilities	21	79,272.28	64,894.42	72,559.03
	(c) Provisions	22	729.66	947.11	768.10
	<b>TOTAL</b>		<b>1,65,610.23</b>	<b>1,49,931.64</b>	<b>1,57,998.77</b>
	Significant accounting policies and estimates	1			
	The accompanying notes 2 to 22 are an integral part of the financial statement.				

For and on behalf of the Board

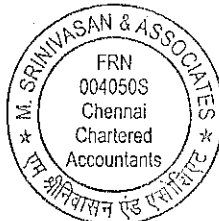
  
CS N. Srivathsa Desikan  
Company Secretary  
F11879


  
S. Kirubanandan  
General Manager [F & A]

  
Dr. S. Aneesh Sekhar  
Managing Director  
DIN : 07887010

  
J. Kumaragurubaran  
Chairman  
DIN : 06702233

**Vide our Report of even date**  
For M Srinivasan & Associates  
Chartered Accountants  
Firm Registration No.: 004050S



  
M. Srinivasan  
Partner  
Membership No.: 022959  
Date:  
Chennai

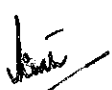


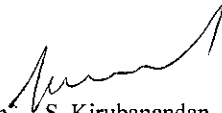
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

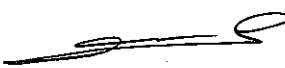
(Rs.in lakhs)

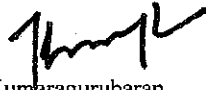
	Particulars	Note No.	Year ended 31st March, 2023	Year ended 31st March, 2022
I.	Revenue from operations	23	5,350.79	5,248.29
II.	Other income	24	5,431.65	5,381.91
III.	<b>Total Income (I+II)</b>		<b>10,782.44</b>	<b>10,630.20</b>
IV.	<b>Expenses:</b>			
	Cost of materials consumed	25	1,482.42	2,289.18
	Employee benefits expense	26	1,766.51	1,583.05
	Finance costs	27	3,682.76	2,524.99
	Depreciation and amortization expense	2	306.31	250.73
	Other expenses	28	1,442.24	754.69
	<b>Total expenses (IV)</b>		<b>8,680.25</b>	<b>7,402.64</b>
V.	<b>Profit/(Loss) before exceptional items and tax (III-IV)</b>		<b>2,102.19</b>	<b>3,227.56</b>
VI.	<b>Exceptional items</b>			
VII.	<b>Profit/(Loss) after exceptional items and before tax (V-VI)</b>		<b>2,102.19</b>	<b>3,227.56</b>
VIII.	<b>Tax expense :</b>			
	Current tax		520.50	761.02
	Deferred tax		256.34	461.64
	MAT Credit Entitlement		-	-
			<b>776.84</b>	<b>1,222.66</b>
IX.	<b>Profit / (Loss) for the period from continuing operations (VII-VIII)</b>		<b>1,325.36</b>	<b>2,004.90</b>
X.	<b>Profit / (Loss) from discontinued operations</b>		-	-
XI.	<b>Tax expenses of discontinued operations</b>		-	-
XII.	<b>Profit / (Loss) from Discontinued operations (after tax) (X-XI)</b>		-	-
XIII.	<b>Profit/ (Loss) for the period (IX+XII)</b>		<b>1,325.36</b>	<b>2,004.90</b>
XIV.	<b>Other comprehensive income</b>			
	(i) Items that will not be reclassified to profit or loss			
	Remeasurement of the net defined benefit liability/asset ( net of taxes)	29	97.67	(206.32)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	<b>Total other comprehensive income</b>		<b>97.67</b>	<b>(206.32)</b>
XV.	<b>Total comprehensive income for the year comprising Profit / (Loss) and other Comprehensive Income for the period</b>		<b>1,423.02</b>	<b>1,798.58</b>
XVI.	<b>Earnings per equity share (for continuing operations)</b> (Nominal value per share Rs. /-)			
	- Basic (Rs.)		<b>548.78</b>	<b>693.61</b>
	- Diluted (Rs.)		<b>548.78</b>	<b>693.61</b>
XVII.	<b>Earnings per equity share (for discontinued operations)</b> (Nominal value per share Rs. /-)			
	- Basic (Rs.)		-	-
	- Diluted (Rs.)		-	-
XVIII.	<b>Earnings per equity share (for continuing &amp; discontinued operations)</b> (Nominal value per share Rs. /-)			
	- Basic (Rs.)		<b>548.78</b>	<b>693.61</b>
	- Diluted (Rs.)		<b>548.78</b>	<b>693.61</b>
	Significant accounting policies and estimates	1		
The accompanying notes 23 to 29 are an integral part of the financial statement.				

For and on behalf of the Board

  
CS N. Srivathsa Desikan  
Company Secretary  
F11879

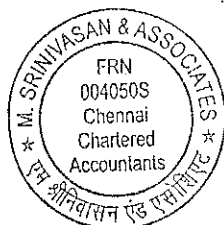
  
S. Kirubanandan  
General Manager [F & A]

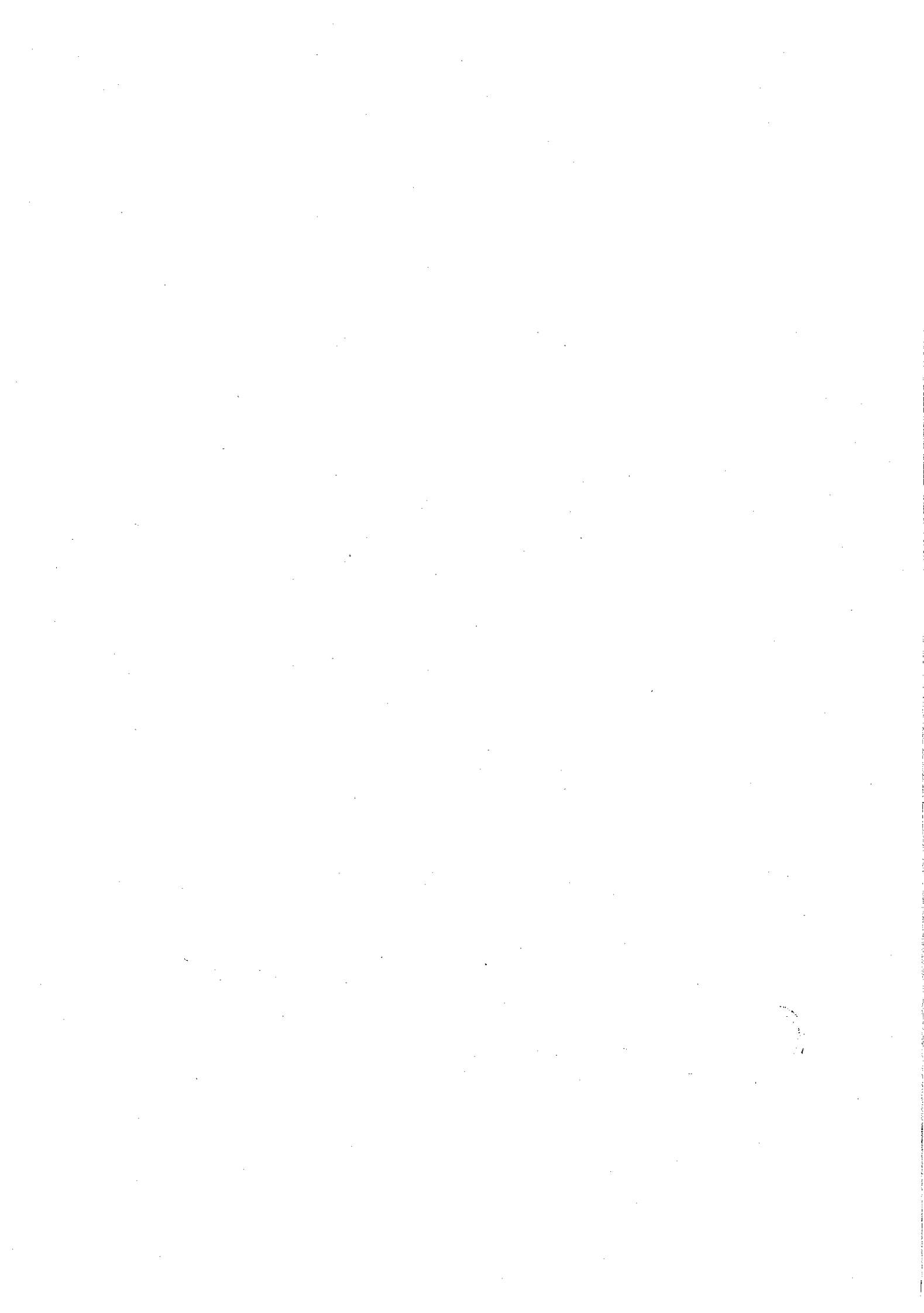
  
Dr. S. Aneesh Sekhar  
Managing Director  
DIN : 07887010

  
J. Kumaragurubaran  
Chairman  
DIN : 06702233

Vide our Report of even date  
For M Srinivasan & Associates  
Chartered Accountants  
Firm Registration No.: 004050S

  
M. Srinivasan  
Partner  
Membership No.: 022959  
Date:  
Chennai





Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>A. Cash flow from Operating Activities</b>		
Net profit / [Loss] before extraordinary items and tax	2,102.19	3,227.56
Adjustments for :		
Remeasurement (Loss)/ Gain on Leave Encashment	137.79	(291.08)
Depreciation and amortization	306.31	250.73
Finance Costs other than Interest on unused grants	3,349.84	2,524.99
Interest due on Government Grants ( Non cash charge)	332.92	
Interest Income	(5,277.72)	(5,175.58)
Dividend Income	(80.94)	(77.89)
Profit on Sale of Vehicle	(0.71)	
Rental Income from Investment Properties	(17.25)	(53.59)
Rental Income from Investment Properties - IT Buildings	(772.93)	(805.74)
Land Lease Deposit eligible forfeiture	(2,588.16)	(2,339.81)
Other Income	(55.40)	(74.85)
<b>Sub-Total</b>	<b>(4,666.24)</b>	<b>(6,042.82)</b>
<b>Changes in Working Capital :</b>		
<u>Adjustments for [increase] / decrease in Operating Assets</u>		
Trade Receivables	779.81	449.17
Short-term Loans and Advances	(15,394.25)	(5,919.16)
Bank balances other than Cash and cash equivalents	5,200.00	17,000.00
Other Current and Non current Assets	(2,229.34)	1,915.30
<u>Adjustments for [increase] / decrease in Operating Liabilities</u>		
Trade Payables	132.14	1,534.36
Other Current Liabilities- other than Interest on Government Grants	14,044.94	(7,237.76)
Other Long-term Liabilities	878.04	(3,771.02)
Short-term Provisions	19.85	179.01
MAT Credit Entitlement Adjusted against Deffered tax liability	212.88	(360.04)
Long-term Provisions	(133.89)	299.85
<b>Sub-Total</b>	<b>3,510.18</b>	<b>4,089.71</b>
Cash Flow from Extraordinary Items		0.00
Cash generated from operations	<b>946.14</b>	1,274.45
Net Income Tax [paid] / refunds	(761.02)	(1,395.38)
<b>Net Cash flow from / [used in] Operating Activities [A]</b>	<b>185.12</b>	<b>(120.94)</b>
<b>B. Cash Flow from Investing Activities</b>		
Expenditure on Property, plant and equipments including capital advances	(6,970.46)	(5,047.20)
Interest Received - Fixed Deposits	5,277.72	5,175.58
Dividend Received - Joint Venture Companies	80.94	77.89
Rental Income from Investment Properties - Others	17.25	53.59
Rental Income from Investment Properties - IT Buildings	772.93	805.74
Land Lease Deposit eligible forfeiture	2,588.16	2,339.81
Sale of asset	0.71	
Other Income	54.69	74.85
<b>Net Cash flow from / [used in] Investing Activities [B]</b>	<b>1,821.93</b>	<b>3,480.26</b>
<b>C. Cash Flow from Financing Activities</b>		
Finance Costs paid	(3,349.84)	(2,131.25)
Dividend Paid	(777.92)	(850.83)
<b>Net Cash flow from / [used in] Financing activities [C]</b>	<b>(4,127.76)</b>	<b>(2,982.08)</b>
<b>Net Increase / [Decrease] in Cash &amp; Cash Equivalents</b>	<b>(2,120.71)</b>	<b>377.24</b>
Cash and cash equivalents at the beginning of the year	6,340.48	5,963.24
Effect of exchange difference on restatement of foreign current	0.00	0.00
<b>Cash &amp; Cash Equivalent at the end of the year</b>	<b>4,219.78</b>	<b>6,340.48</b>

Note Cash flow statement prepared under Indirect method which the Company Consistently following.

For and on behalf of the Board

CS N. Srivathsa Desikan  
Company Secretary  
F11879

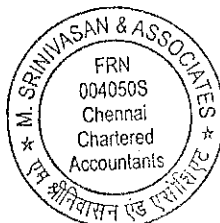
S. Kirubanandan  
General Manager [F & A]

Dr. S. Aneesh Sekhar  
Managing Director  
DIN : 07887010

J. Kumaragurubaran  
Chairman  
DIN : 06702233

Vide our Report of even date  
For M Srinivasan & Associates  
Chartered Accountants  
Firm Registration No.: 004050S

M. Srinivasan  
Partner  
Membership No.: 022959  
Date:  
Chennai



Handwritten mark or signature.



**Electronics Corporation of Tamilnadu Limited**

No.692, Anna Salai, Nandanam, Chennai - 600 035

CIN: U27209TN1977SGC007291

**Notes on Financial Statements**

**Note : 1**

**A. Brief description of the Company**

Electronics Corporation of Tamilnadu Limited ("the Company") is a public sector undertaking of the Government of Tamilnadu incorporated on 21st day of March 1977. The main objects of the Company are to promote, establish and run State Public Enterprises and Development of IT Parks, SEZ and other computer and electronics related services. . ELCOT has so far developed eight SEZ across Tamilnadu and managed independently.

The registered office of the Company is situated at MHU Complex, II Floor, 692, Anna Salai, Nandanam, Chennai – 600 035.

**B. Basis of Preparation of Financial statements**

**(i) Statement of Compliance**

The Restated Ind AS Financial Information of the Company for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 have been prepared in accordance with Indian Accounting Standards (Ind AS) and notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereof.

The financial information for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 has been adjusted using recognition and measurement principles of Ind As. In accordance with Ind As 101, First-time Adoption of Indian Accounting Standard, the company has presented an explanation of how the transition to Ind As has affected the previously reported financial position, financial performance and Cash flows.

These financial statements are the first financial statements of the company under Ind AS.

**(ii) Use of Estimates**

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reflected in financial statements and notes thereto. The management believes that these estimates are reasonable and prudent. However, actual result could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future period.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in the relevant notes together with information about the basis of calculation for each affected line in the financial statements.

**(iii) Historical cost convention**

The financial statements have been prepared on historical cost basis under accrual basis of accounting except for certain financial assets and liabilities as stated in respective policies, which have been measured at fair value.



#### **(iv)Basis of accounting**

The books of accounts are maintained on accrual basis as a going concern.

#### **A Significant Accounting Policies**

##### **a) Property, Plant and Equipment**

i) Freehold Land is carried at historical cost. All other items of Property Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation/amortization and impairment. Cost includes purchase price, taxes and duties (adjusted for tax credits, wherever applicable), labour cost and directly attributable overheads incurred up to the date the asset is ready for its intended use.

ii) Subsequent costs are included in the carrying amount of respective asset or recognized as a separate asset when it is probable that the future economic benefits associated with the items will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is derecognized when replaced.

iii) The Company has not revalued its property, plant and equipment during the year and since the Company has adopted cost model as its accounting policy to an entire class of property, plant and equipment in accordance with the accounting standard.

iv) Right of use of Assets, the Lease agreements are made in the name of the Company and the value carried as Lease carrying cost and on surrender of Lease settlement value shown as deduction/adjusted from the carrying cost. The original carrying cost amortised @5% over a remaining period. Details are given under leases.

iv) The value of property, plant and equipment funded out of Grants-in-Aid received from the Government, though not the property of the Company, are treated as the Assets of the Company and Depreciation is charged on those assets as well.

v) Gains and losses arising from the retirement or disposal of property, plant and equipment are credited/charged to Profit and Loss Account

vi) Assets costing Rs.5000/- or less is not capitalized and charged off to Profit and Loss Account.

vii) Replacements are either capitalised or charged to revenue based on the nature and the long-term utility

viii) Capital work in progress represents property, plant and equipment that are not yet ready for their intended use as at the balance sheet date.

##### **b) Intangible Assets:**

i) Intangible Assets are carried at cost less accumulated amortization and impairment losses, if any.

ii) The cost of an intangible asset comprises its purchase price, including duties and taxes and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

iii) However, the Company does not hold any intangible asset as at the balance sheet date except software which is under development and shown under Capital Work in progress.



### **c) Depreciation and Amortisation:**

i) Depreciation has been provided on a straight-line basis and according to the useful life prescribed in Schedule II of the Companies Act, 2013 from F.Y 2014-15.

ii). Depreciation or amortization is provided so as to write-off, on a straight-line basis, the cost / deemed cost of property, plant and equipment and intangible assets if any, including right-of-use assets to their residual value. These charges are commenced from the dates the assets are available for their intended use and are spread over their estimated useful economic lives or, in the case of right-of-use assets, over the lease period, if shorter. The estimated useful lives of assets, residual values and depreciation method are reviewed regularly and, when necessary, revised.

### **d) Impairment of Assets**

The company shall assess at the end of each reporting period whether there exist any indications that an asset may be impaired. If such indication exists, the entity shall estimate the recoverable amount of the asset and treatment shall be given in accordance with Ind-AS 36.

### **e) Cash flow statement**

Cash Flow Statement is prepared under "Indirect Method", prescribed in Ind AS 7 'Statement of Cash Flows'. Cash flows are reported using the 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. Cash flow for the year is classified by operating, investing and financing activities.

### **f) Revenue recognition**

i) Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is recognized to the extent that it is highly probable, and a significant reversal will not occur. Revenue from rendering of services is recognized as and when the services are rendered as per the terms of agreement with the customers and is disclosed net of credit notes towards deductions by customers as per the terms of the agreement.

ii) Service charges receivable on the applicable schemes are recognised phase wise based on orders issued by the Government of Tamilnadu.

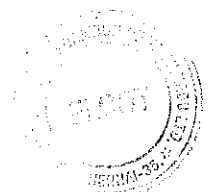
iii) Pro-rata development expenses are collected from lessees as per applicable agreements for development of infrastructure facilities.

iv) All other income is recognised on accrual basis except income on certain specified Government Schemes which are recognized in Cash Basis only.

v) Interest income is recognised on a time proportion basis considering the amount outstanding and the rate applicable. In case of interest charged to on receivables, interest is accounted for on availability of documentary evidence that the customer has accepted the liability.

vi) plant and equipment that was held for rentals of IT Parks are classified as operating activities and other Rentals under Non-Operating Income as per Ind AS

vii) Land lease deposits collected from the allottees are recognised as revenue on a pro rata basis over a period uniformly.



## **g) Government Grants**

i) Grants related to infrastructure development / improvement is treated as Current Liabilities till such time they are expended. Grants related to specific purposes with conditions are treated as Current Liabilities till such time they are transferred for the purpose for which they are granted

Grants from Government of India and Government of Tamilnadu are treated as Deferred liability and disclosed under "Non-current Liability".

ii) Revenue Grants are recognized on a systematic basis in the Statement of Profit and Loss over the periods necessary to match with the related costs.

iii) Grant and Subsidy received are transferred to Statement of Profit and Loss after completion of the related project.

iv) Any unspent Grants beyond Validity of Schemes, the Company either returns or transfer to other schemes as per Government order.

v) Based on the guidelines issued by the Finance Department of the Government of Tamilnadu vide letter no 1943/Finance (BPE)/2020 dated 06.02.2020 and the Accountant General's letter no AG (E&RSA)/OAD [c]/II/234, dated 08.01.2020, interest earned on the deposits of unutilised grants is treated as a part of current liability and the same will be remitted to government of Tamilnadu,

## **h) Current and Non-Current Classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

Cash and Cash equivalent is treated as current, unless restricted from being exchanged or used to settle a liability for at least twelve months. In respect of other assets, it is treated as current when it is expected to be realised or intended to be sold or consumed in the normal operating cycle. It is held primarily for the purpose of trading, expected to be realised within twelve months after the reporting date. All other assets are classified as non-current.

A liability is treated as current when expected to be settled in the normal operating cycle. It is held primarily for the purpose of trading. It is due to be settled within twelve months after the reporting period. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between acquisition of asset for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

## **i) Investments**

a. The Company has made investments / further investments in associate and joint-venture Companies and other establishments as per the directions issued by the Government of Tamil Nadu from time to time as disclosed in the standalone financial statements.

b. The Company assesses at the end of each reporting period, if there are any indications that the said investments may be impaired. If so, the Company estimated the recoverable value / amount of the investment and provides for known impairment, if any, i.e., the deficit in the recoverable value over cost.



- c) Investments in liquidated and struck off Companies have been fully written off.
- d) Gains and losses arising from disposal of Investments are credited to Profit and loss account.
- e) Dividends from associates and Joint venture Companies are recognised in the Statement of profit and loss account when right to receive the payment has been established.

**j) Inventories**

Inventories are valued at the lower of cost and net realisable value except on item as per Note No

- i) Cost of raw materials, components, stores, spares, work-in-progress and finished goods are ascertained at the lower of cost and net realisable value.
- ii) Cost of finished goods and work-in-progress comprise of direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is determined as estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Materials and supplies held for use in production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost. Slow and non-moving material, obsolescence, defective inventories are duly provided for.

**k) Employee benefits**

Employee Benefits includes provident fund, Leave salary and Gratuity fund.

**1.Short-term employee Benefits**

All employee benefits payable wholly within twelve months of rendering service are classified as short-term employee benefits. The undiscounted amount of short-term employee benefits expected to be paid in exchange of services rendered by the employees is recognised as expenses during the period.

**2.Long-term employee benefits**

**a) Provident fund**

Provident fund contributions are made to a trust administered by the trustees. Interest payable to the provident fund members, shall not be at a rate lower than the statutory rate. Liability is recognised for any shortfall in the income of the fund vis-à-vis liability of interest to the members as per statutory rates.

**b) Gratuity plan**

The Company has entered into an agreement with the Life Insurance Corporation of India under group gratuity Scheme to discharge its liability under the Payment of Gratuity Act ,1972 and the amount payable by the Company's liability towards Gratuity is provided on the basis of actuarial valuation by Life Insurance Corporation of India. The Actuarial Valuation of Accrued Gratuity liability will be forming part of Notes to Accounts

Provision for leave salary in respect of encashable leave is provided for according to the service rules of the Company based on actuarial valuation. The necessary disclosures as per Ind-AS 19 are made as part of Notes on Accounts.



Actuarial gains or losses are recognized in other comprehensive income net of Deferred taxes. Re-measurements comprising actuarial gains or losses are not reclassified to profit or loss in subsequent periods.

#### **1) Leases**

**Company as Lessee:** The Company has adopted Ind AS 116 Leases in the current year. Ind AS 116 introduces a new lease accounting model, wherein lessees are required to recognise a right-of-use (ROU) asset and a lease liability arising from a lease on the balance sheet. The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract/arrangement. Adoption of the standard involves significant judgements and estimates including, determination of the discount rates and the lease term. The company needs to evaluate if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement.

**Company as Lessor:** The company's lease agreements wherein the assets that are to be returned to the Lessor at the end of the lease period are classified as Operating Leases and the Cost of those assets and rentals are recognized in the statement of profit and loss over the lease term as prescribed in Ind-AS 116.

The Company, as a lessor, have given land for development of IT parks on leases for a period of 99 years on a renewable basis for a further period on mutual agreeable terms.

Land lease for development of IT parks

A Based on the decision of Board dated 15<sup>th</sup> Feb 2011, land lease deposits received thereafter are treated as follows:

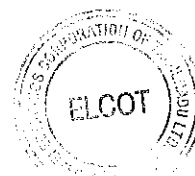
- i) 15% of Land lease deposits which are of non-refundable in nature to the land lessees even in case where the allotment is surrendered within a period of 3 years is treated as revenue for the first year of lease.
- ii) From year 4<sup>th</sup> year to 17<sup>th</sup> year, 5% of the amount on land lease deposits is treated as revenue and shown in statement of profit and Loss account.
- (iii) and the balance 15% of land lease deposits is repayable to land lease holders after the expiry of the lease period and shown under non-current liabilities which carries no interest as per terms of agreement.

Based on directions and guidelines issued from time to time by the Government of Tamilnadu, lands allotted to corporates and other entities in the developed IT parks at all SEZ, on receipt of one-time lease deposits on fully refundable basis.

Land lease deposits shown under non-current liabilities also includes.

- i) Land lease deposits received for lands leased before the Board decision dated 15.02.2011, which refundable 100% after the expiry of lease period/surrender
- (ii) Amount received from the lessees as advance prior to land allotment.

The refundable land deposits settled within period of twelve months after the reporting date have been classified as current liabilities.



## **m) Income Taxes**

### **Current income tax:**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws enacted or substantively enacted by the reporting date). Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

### **Deferred tax:**

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements.

Deferred income tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

## **n) Investment Property**

The Company recognizes investment property held to earn rentals or for capital appreciation or both other than use in the product or sale as provided in Ind-AS 40.

## **o) financial instruments**

The company identifies and categorizes its financial assets and liabilities and accounted on the fair value as prescribed under IND AS 32, IND AS 107 and IND AS 109 - Financial Instruments.

The company recognizes Financial Assets & Financial Liabilities on the following methods as required:

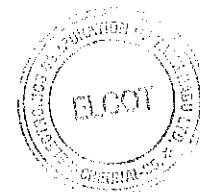
- Amortised Cost
- Fair Value through Profit and Loss account
- Fair value through Other Comprehensive Income

The transaction cost relating to the Financial Assets and Financial Liabilities are treated as prescribed under Ind-AS.

Financial Assets and Financial Liabilities are recognized at Fair Value based on Effective Interest rate wherever applicable.

## **p) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year/period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period adjusted for bonus elements, if any, issued during the year.



For the purpose of calculating diluted earnings per share, the net profit or loss for the year/ period attributable to equity shareholders after taking into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

#### **q) Provisions**

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

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is the pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to passage of time is recognised as interest expense.

#### **r) Contingent Assets and liabilities**

The Company uses significant judgements to disclose contingent liabilities and the same are disclosed when there is a possible obligations arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from the past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are neither recognized nor disclosed in the standalone financial statements.

#### **s) Prior period Adjustments**

Prior period adjustments are resorted to for material adjustments applicable to prior periods arising from changes in accounting policy, transformation to Ind AS and from the correction of fundamental errors. They do not require the normal recurring corrections and adjustments on the items of the previous years except on transformation adjustments on account of financial statements prepared under Ind As.

#### **t) Borrowing Costs**

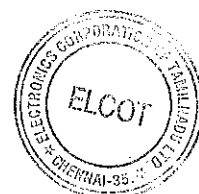
Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of respective assets. A qualifying asset is one that necessarily takes substantial period to get ready for intended use. All other borrowing costs are charged to Revenue.

#### **u) Other Comprehensive Income**

The statement of Profit and Loss is bifurcated into two sections. One is the traditional Profit and Loss statement and other one is Other Comprehensive Income wherein the company recognizes the fair value and other adjustments as required under Ind-AS 101, 107 & 109.

#### **(v) Bonus**

Provision for bonus in the previous year is made based on the 'Payment of Bonus Act' to the C & D category of employees of State PSUs, and ex-gratia for A & B category of employees is accounted only in the year in which the GO is received, and payment effected.





## **B. First Time Adoption of IND AS:**

The restated Ind AS financial statements, for the year ended March 31, 2023, are the first financial statements prepared in accordance with Ind AS. For years up to and including the year ended March 31, 2021, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act, 2013, read with paragraph 7 of the Companies (Accounts) Rules, 2014 ("IGAAP" or "Previous GAAP").

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ending on March 31, 2023, together with comparative period data as at and for the years ending on March 31, 2022 and March 31, 2021, as described in the Basis of Preparation and Summary of Significant Accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2021, being the Company's date of transition to Ind AS.

Estimates made by management under Indian GAAP are not changed as a result of Ind AS implementation.

For all the years the company has adopted the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on the transition date, i.e., April 1, 2021. This note explains exemptions availed by the Company in restating its previous GAAP financial statements, including the balance sheet as of March 31, 2021 and the financial statements as at and for the year ended March 31, 2023 and March 31, 2022.

## **C. Exemptions Applied with respect to Ind AS 101:**

### **a) Property, plant and equipment and Intangible Assets:**

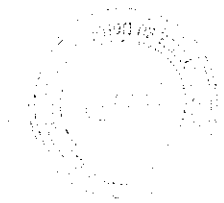
As per Ind AS 101, an entity may elect to:

(i) Measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date; or

(ii) Use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to: - Fair value - Or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index The election under (i) and (ii), above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market); or

(iii) Use carrying values of properties, plant and equipment, and intangible assets as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities, if any, prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment and intangible assets, wherever they fulfil the eligibility criteria.



b) Investments in subsidiaries, joint ventures, and associates:

When an entity prepares separate financial statements, Ind AS 27 requires it to account for its investments in subsidiaries, joint ventures, and associates either:

(a) at cost; or

(b) in accordance with Ind AS 109.

If a first-time adopter measures such an investment at cost in accordance with

Ind AS 27, it shall measure that investment at one of the following amounts in its separate opening Ind AS Balance Sheet:

(a) cost determined in accordance with Ind AS 27; or

(b) deemed cost.

The deemed cost of such an investment shall be its:

(i) fair value at the entity's date of transition to Ind ASs in its separate financial statements; or

(ii) previous GAAP carrying amount at that date.

A first-time adopter may choose either (i) or (ii) above to measure its investment in each subsidiary, joint venture, or associate that it elects to measure using a deemed cost.

As permitted by Ind AS 101, the Company has elected to continue the carrying value of such Investment in subsidiaries, Joint venture, or associate under Previous GAAP as its deemed cost.

### **Segment Reporting**

The Company's operations predominantly relate to Development of IT Parks, SEZ and other computer and electronics related services and the operations are only in India, that is the only primarily reportable segment.

### **Claims by/against the Company.**

Claims for liquidated damages and others by the Company against Vendors/service providers/Agents and against the Company by the Customers/others are recognised in the books of accounts on acceptance.

Insurance claims, Octroi refunds, Excise duty, custom duty refund claims refund claims, Income tax refund claims are considered at the time of admission by the concerned authorities and accordingly accounted in the books of accounts.

### **GST Input Credit**

Relevant GST input credit claimed and accounted in the books in the period in which the underlying services are received, or goods purchased. The eligible GST input credit only be claimed and adjusted against the GST output. The ineligible GST input credit as posted in the GST site have not considered in the Books of account. Reversal of such input GST credit to be considered only after due reconciliation which the Company presently under implementation.



**Electronics Corporation of Tamilnadu Limited**

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023**

**(a) Equity Share capital**

**1) Current reporting period**

(Rs.in lakhs)

	Balance at the beginning of the year	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the reporting year	Changes in equity share capital during the year	Balance at the end of the year
For the year ended 31st March, 2023	2,593.05	-	-	-	2,593.05

**2) Previous reporting period**

(Rs.in lakhs)

	Balance at the beginning of the year	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the reporting year	Changes in equity share capital during the year	Balance at the end of the year
For the year ended 31st March, 2022	2,593.05	-	-	-	2,593.05

**(b) Other Equity**

**1) Current reporting Period**

(Rs.in lakhs)

	Reserves and Surplus			Total
	Retained Earnings	Revaluation reserve	Other comprehensive income-defined benefit	
Balance as at 1st April, 2022	22,800.56	5,897.55	(206.32)	28,491.79
Changes in accounting policy or prior period errors or reclassification	(3.21)			(3.21)
Profit for the Year	1,325.36			1,325.36
Less: Dividend for the year	(777.92)			(777.92)
Other Comprehensive Income (Net of taxes) for the period			97.67	97.67
<b>Balance as at 31 March 2023</b>	<b>23,344.79</b>	<b>5,897.55</b>	<b>(108.65)</b>	<b>29,133.69</b>

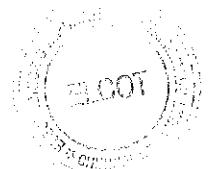
**1) Previous reporting Period**

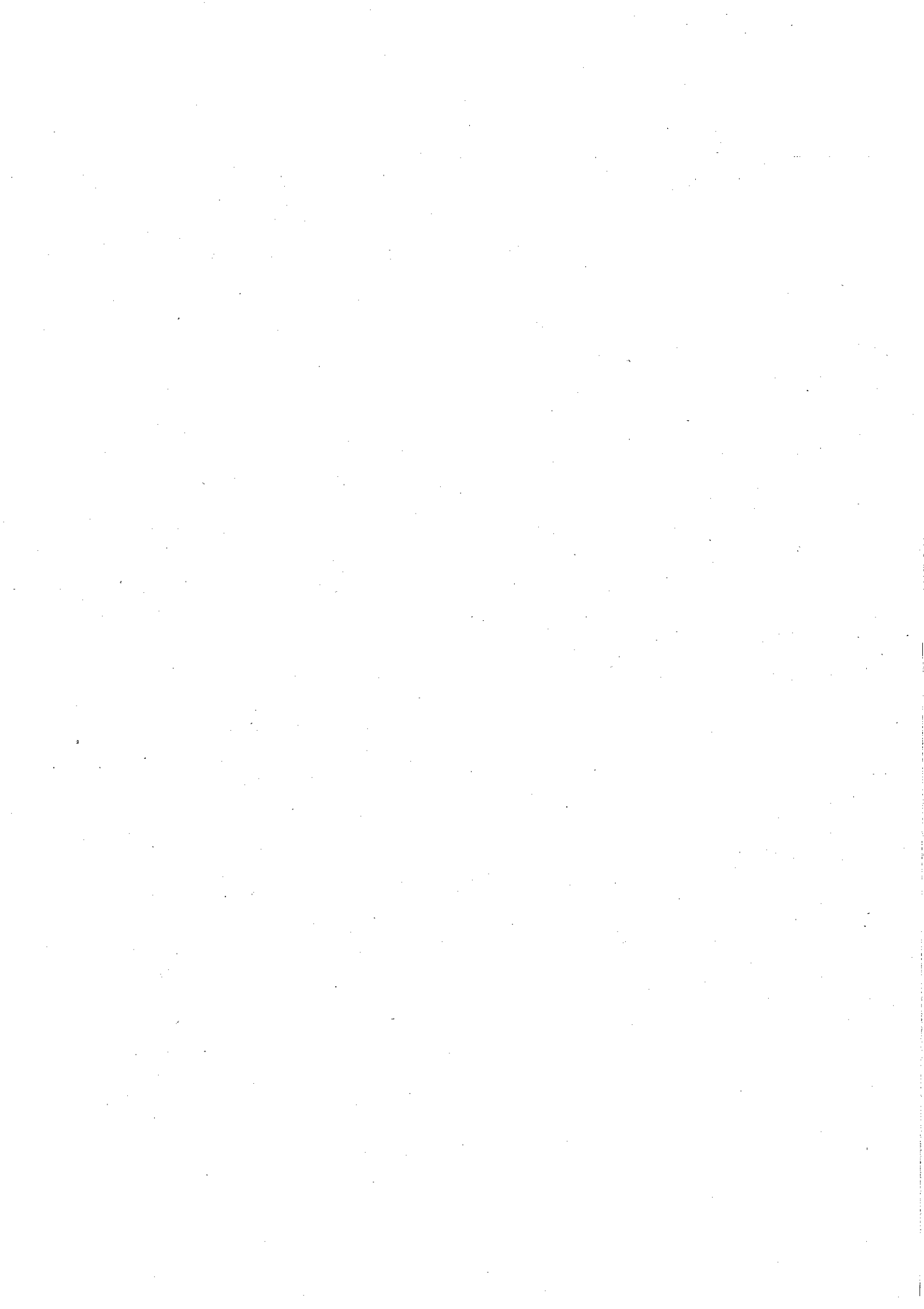
(Rs.in lakhs)

	Reserves and Surplus			Total
	Retained Earnings	Revaluation reserve	Other comprehensive income-defined benefit	
Balance as at 1st April, 2021	21,286.46	5,897.55		27,184.01
Changes in accounting policy or prior period errors or reclassification	360.04			360.04
Profit for the Year	2,004.90			2,004.90
Less: Dividend for the year	(850.83)			(850.83)
Other Comprehensive Income (Net of taxes) for the period			(206.32)	(206.32)
<b>Balance as at 31 March 2022</b>	<b>22,800.56</b>	<b>5,897.55</b>	<b>(206.32)</b>	<b>28,491.79</b>

**b. Movement of Equity Shares during the year**

Particulars	As at 31-03-2023	As at 31-03-2022
Shares outstanding at the beginning of the year	2,59,305	2,59,305
Shares issued during the year	0	0
Shares bought back during the year	0	0
Shares outstanding at the end of the year	2,59,305	2,59,305



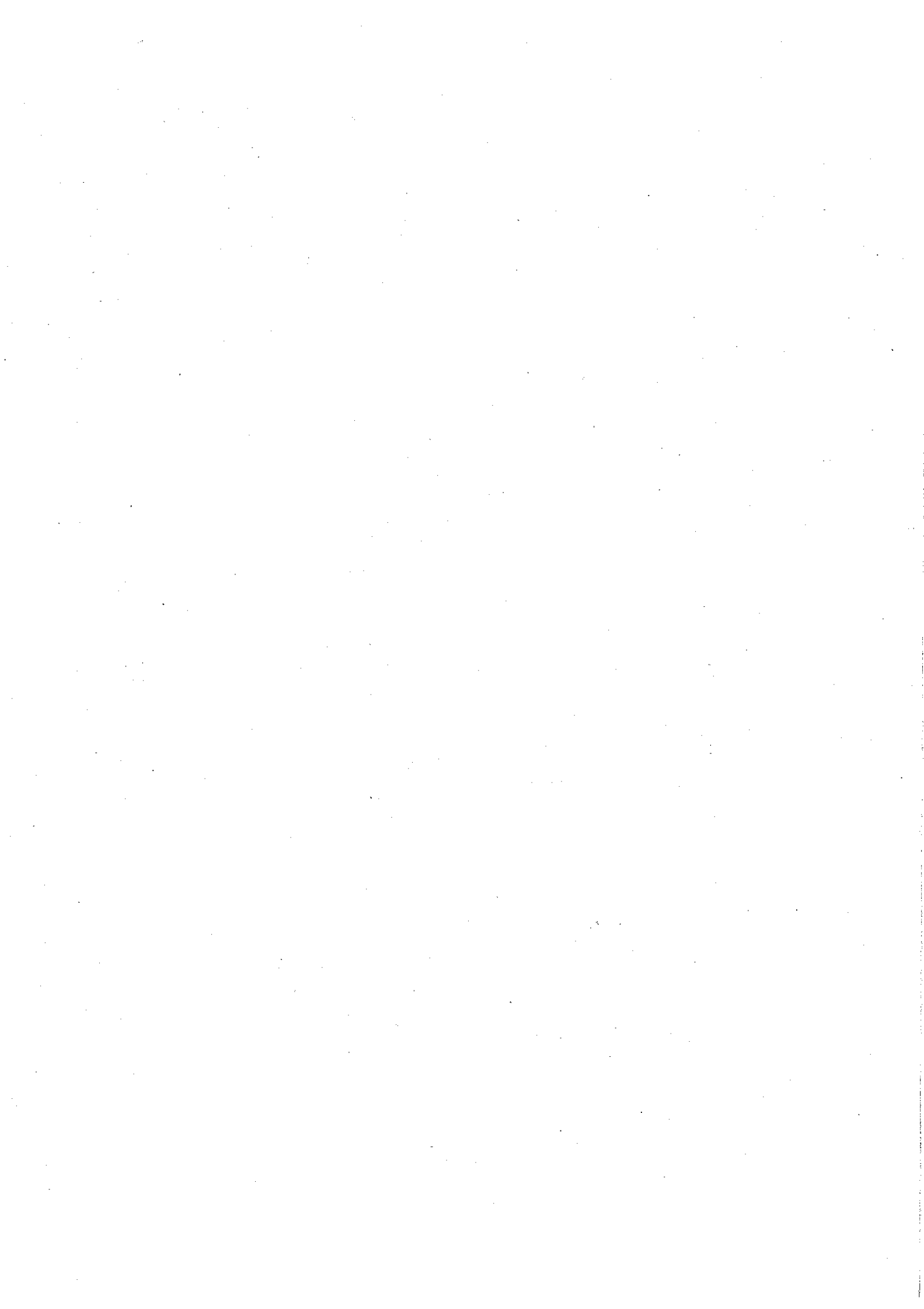




PROPERTY, PLANT AND EQUIPMENT		GROSS BLOCK				DEPRECIATION				NET BLOCK	
Sl. No.	Particulars	As at 1 <sup>st</sup> April, 2020	Additions During the year	Adjustment / Deduction during the year	As at 31st March, 2021	Upto 1st April, 2020	For the Year	Adjusted with Retained Earnings during the year	Adjustment / Deduction During the year	Upto 31st March, 2021	As at 31st March, 2021
1	Land	591.53	-	-	591.53	-	-	-	-	-	591.53
2	Buildings	520.61	-	-	520.61	209.88	7.55	-	-	217.43	303.19
3	Computer	1,743.32	18.79	-	1,762.11	1,696.77	31.18	-	-	1,727.95	34.16
4	Plant & Machinery	159.39	-	-	159.39	155.94	0.83	-	-	156.77	2.62
5	Furniture & Fittings	1,379.71	1.96	-	1,381.67	1,074.96	100.71	-	0.20	1,175.67	206.00
6	Office Equipments	953.15	13.88	0.54	966.49	880.42	23.49	-	-	903.71	62.78
7	Vehicles	118.11	-	-	118.11	68.99	7.09	-	-	76.08	42.03
	<b>Total</b>	<b>5,465.83</b>	<b>34.64</b>	<b>0.54</b>	<b>5,499.92</b>	<b>4,086.96</b>	<b>170.85</b>	<b>-</b>	<b>0.20</b>	<b>4,257.60</b>	<b>1,242.32</b>

PROPERTY, PLANT AND EQUIPMENT		GROSS BLOCK				DEPRECIATION				NET BLOCK	
Sl. No.	Particulars	As at 1 <sup>st</sup> April, 2021	Additions During the year	Adjustment / Deduction during the year	As at 31st March, 2022	Upto 1st April, 2021	During the year	Adjusted with Retained Earnings during the year	Adjustment / Deduction During the year	Upto 31st March, 2022	As at 31st March, 2022
1	Land	591.53	-	-	591.53	-	-	-	-	-	591.53
2	Buildings	520.61	-	-	520.61	217.43	7.55	-	-	224.97	295.64
3	Computer	1,762.11	5.21	-	1,767.32	1,727.95	23.95	-	-	1,751.89	15.43
4	Plant & Machinery	159.39	-	-	159.39	156.77	0.83	-	-	157.60	1.79
5	Furniture & Fittings	1,381.67	19.35	-	1,401.02	1,175.67	85.12	-	-	1,260.79	140.22
6	Office Equipments	966.49	1.60	-	968.09	903.71	21.23	-	-	924.94	43.16
7	Vehicles	118.11	-	-	118.11	76.08	6.71	-	-	82.79	35.33
	<b>Total</b>	<b>5,499.92</b>	<b>26.16</b>	<b>-</b>	<b>5,526.08</b>	<b>4,257.60</b>	<b>145.38</b>	<b>-</b>	<b>-</b>	<b>4,402.98</b>	<b>1,123.10</b>

PROPERTY, PLANT AND EQUIPMENT		GROSS BLOCK				DEPRECIATION				NET BLOCK	
Sl. No.	Particulars	As at 1 <sup>st</sup> April, 2022	Additions During the year	Adjustment / Deduction during the year	As at 31st March, 2023	Upto 1st April, 2022	During the year	Adjusted with Retained Earnings during the year	Adjustment / Deduction During the year	Upto 31st March, 2023	As at 31st March, 2023
1	Land	591.53	-	-	591.53	-	-	-	-	-	591.53
2	Buildings	520.61	33.71	-	554.32	224.97	7.89	-	-	232.86	321.46
3	Computer	1,767.32	21.75	-	1,789.07	1,751.89	12.90	-	-	1,764.79	24.28
4	Plant & Machinery	159.39	-	-	159.39	157.60	0.83	-	-	158.43	0.96
5	Furniture & Fittings	1,401.02	-	-	1,401.02	1,260.79	77.31	-	-	1,338.11	62.91
6	Office Equipments	968.09	2.63	-	970.72	924.94	19.04	-	-	943.98	26.74
7	Vehicles	118.11	-	-	107.16	82.79	6.71	-	10.95	78.55	28.62
	<b>Total</b>	<b>5,576.08</b>	<b>58.09</b>	<b>10.95</b>	<b>5,573.21</b>	<b>4,402.98</b>	<b>124.67</b>	<b>-</b>	<b>10.95</b>	<b>4,516.70</b>	<b>1,056.51</b>



Note No : 2(b)

(Rs.in lakhs)

Sl. No.	Particulars	Rate Of Depreciation	GROSS BLOCK				DEPRECIATION				NET BLOCK As at 31st March, 2021	
			As at 1 <sup>st</sup> April, 2020	Additions During the year	Adjustment / Deduction during the year	As at 31st March, 2021	Upto 1st April, 2020	During the year	Adjusted with Retained Earnings during the year	Adjustment /Deduction During the year		Upto 31st March, 2021
1	Leasehold Land		2,246.46	-	28.87	2,217.59	-	-	-	-	-	2,217.59
	<b>Total</b>		<b>2,246.46</b>		<b>28.87</b>	<b>2,217.59</b>						<b>2,217.59</b>

(Rs.in lakhs)

Sl. No.	Particulars	Rate Of Depreciation	GROSS BLOCK				DEPRECIATION				NET BLOCK As at 31st March, 2022	
			As at 1 <sup>st</sup> April, 2021	Additions During the year	Adjustment / Deduction during the year	As at 31st March, 2022	Upto 1st April, 2021	During the year	Adjusted with Retained Earnings during the year	Adjustment /Deduction During the year		Upto 31st March, 2022
1	Leasehold Land		2,217.59	-	1,078.87	1,138.72	-	-	-	-	-	1,138.72
	<b>Total</b>		<b>2,217.59</b>		<b>1,078.87</b>	<b>1,138.72</b>						<b>1,138.72</b>

(Rs.in lakhs)

Sl. No.	Particulars	Rate Of Depreciation	GROSS BLOCK				DEPRECIATION				NET BLOCK As at 31st March, 2023	
			As at 1 <sup>st</sup> April, 2022	Additions During the year	Adjustment / Deduction during the year	As at 31st March, 2023	Upto 1st April, 2022	During the year	Adjusted with Retained Earnings during the year	Adjustment /Deduction During the year		Upto 31st March, 2023
1	Leasehold Land		1,138.72	-	479.52	659.20	-	-	-	-	-	659.20
	<b>Total</b>		<b>1,138.72</b>		<b>479.52</b>	<b>659.20</b>						<b>659.20</b>







Note No : 2(c)

(Rs.in lakhs)

Sl. No.	Particulars	Rate Of Depreciation	GROSS BLOCK			DEPRECIATION				NET BLOCK As at 31st March, 2021
			As at 1 <sup>st</sup> April, 2020	Additions During the year	Adjustment / Deduction during the year	As at 31st March, 2021	Upto 1st April, 2020	During the year	Adjusted with Retained Earnings during the year	
1	Capital Work-in-Progress Total		3,553.36 3,553.36	3,938.90 3,938.90	2,296.95 2,296.95	4,995.31 4,995.31	- -	- -	- -	4,995.31 4,995.31

(Rs.in lakhs)

Sl. No.	Particulars	Rate Of Depreciation	GROSS BLOCK			DEPRECIATION				NET BLOCK As at 31st March, 2022
			As at 1 <sup>st</sup> April, 2021	Additions During the year	Adjustment / Deduction during the year	As at 31st March, 2022	Upto 1st April, 2021	During the year	Adjusted with Retained Earnings during the year	
1	Capital Work-in-Progress Total		4,995.31 4,995.31	7,429.51 7,429.51	- -	12,424.82 12,424.82	- -	- -	- -	12,424.82 12,424.82

(Rs.in lakhs)

Sl. No.	Particulars	Rate Of Depreciation	GROSS BLOCK			DEPRECIATION				NET BLOCK As at 31st March, 2023
			As at 1 <sup>st</sup> April, 2022	Additions During the year	Adjustment / Deduction during the year	As at 31st March, 2023	Upto 1st April, 2022	During the year	Adjusted with Retained Earnings during the year	
1	Capital Work-in-Progress Total		12,424.82 12,424.82	7,362.71 7,362.71	640.82 640.82	19,146.71 19,146.71	- -	- -	- -	19,146.71 19,146.71

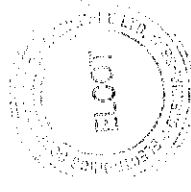




Sl. No.	Particulars	Rate Of Depreciation	GROSS BLOCK				DEPRECIATION				NET BLOCK As at 31st March, 2021
			As at 1 <sup>st</sup> April, 2020	Additions During the year	Adjustment / Deduction during the year	As at 31st March, 2021	Upto 1st April, 2020	During the year	Adjusted with Retained Earnings during the year	Adjustment /Deduction During the year	
1	Land		38,136.90	26.27	1,093.00	37,070.18	-	-	-	-	37,070.18
2	Buildings		9,527.03	2,296.95	-	11,823.97	190.38	-	-	853.06	10,970.91
	<b>Total</b>		<b>47,663.93</b>	<b>2,323.22</b>	<b>1,093.00</b>	<b>48,894.15</b>	<b>190.38</b>	<b>-</b>	<b>-</b>	<b>853.06</b>	<b>48,041.09</b>

Sl. No.	Particulars	Rate Of Depreciation	GROSS BLOCK				DEPRECIATION				NET BLOCK As at 31st March, 2022
			As at 1 <sup>st</sup> April, 2021	Additions During the year	Adjustment / Deduction during the year	As at 31st March, 2022	Upto 1st April, 2021	During the year	Adjusted with Retained Earnings during the year	Adjustment /Deduction During the year	
1	Land		37,070.18	10,529.12	10,411.33	37,187.97	-	-	-	-	37,187.97
2	Buildings		11,823.97	48.04	1,500.31	10,371.71	199.60	-	-	94.25	9,413.29
	<b>Total</b>		<b>48,894.15</b>	<b>10,577.16</b>	<b>11,911.64</b>	<b>47,559.68</b>	<b>199.60</b>	<b>-</b>	<b>-</b>	<b>94.25</b>	<b>46,601.26</b>

Sl. No.	Particulars	Rate Of Depreciation	GROSS BLOCK				DEPRECIATION				NET BLOCK As at 31st March, 2023
			As at 1 <sup>st</sup> April, 2022	Additions During the year	Adjustment / Deduction during the year	As at 31st March, 2023	Upto 1st April, 2022	During the year	Adjusted with Retained Earnings during the year	Adjustment /Deduction During the year	
1	Land		37,187.97	687.03	17.55	37,872.97	-	-	-	-	37,872.97
2	Buildings		10,371.71	687.03	17.55	11,041.18	181.64	-	-	1,140.05	9,901.13
	<b>Total</b>		<b>47,559.68</b>	<b>687.03</b>	<b>17.55</b>	<b>48,229.15</b>	<b>181.64</b>	<b>-</b>	<b>-</b>	<b>1,140.05</b>	<b>47,089.10</b>





Sl. No.	Particulars	Rate Of Depreciation	GROSS BLOCK			DEPRECIATION				NET BLOCK As at 31st March, 2021	
			As at 1 <sup>st</sup> April, 2020	Additions During the year	Adjustment / Deduction during the year	As at 31st March, 2021	Upto 1st April, 2020	During the year	Adjusted with Retained Earnings during the year		Adjustment / Deduction During the year
1	Software under development Total		-	-	-	-	-	-	-	-	-

Sl. No.	Particulars	Rate Of Depreciation	GROSS BLOCK			DEPRECIATION				NET BLOCK As at 31st March, 2022	
			As at 1 <sup>st</sup> April, 2021	Additions During the year	Adjustment / Deduction during the year	As at 31st March, 2022	Upto 1st April, 2021	During the year	Adjusted with Retained Earnings during the year		Adjustment / Deduction During the year
1	Software under development Total		-	4.88	-	4.88	-	-	-	-	4.88
			-	4.88	-	4.88	-	-	-	-	4.88

Sl. No.	Particulars	Rate Of Depreciation	GROSS BLOCK			DEPRECIATION				NET BLOCK As at 31st March, 2023	
			As at 1 <sup>st</sup> April, 2022	Additions During the year	Adjustment / Deduction during the year	As at 31st March, 2023	Upto 1st April, 2022	During the year	Adjusted with Retained Earnings during the year		Adjustment / Deduction During the year
1	Software under development Total		4.88	1.24	-	6.12	-	-	-	-	6.12
			4.88	1.24	-	6.12	-	-	-	-	6.12

Notes

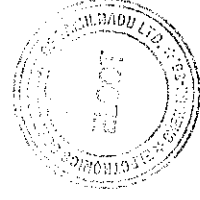
1 All the freehold lands acquired by the Company the Title deeds of immovable properties are held in the name of the company.

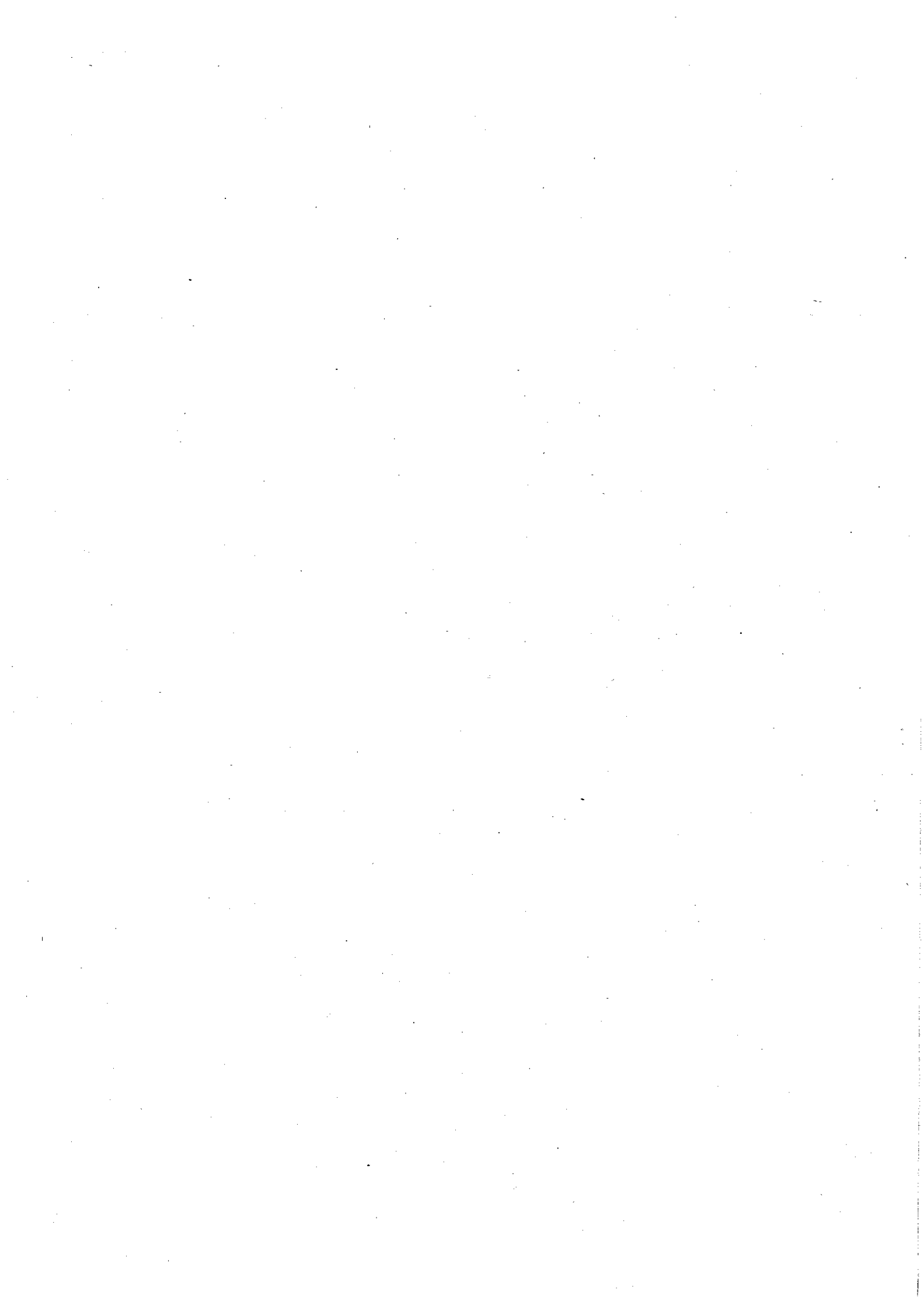
2 Right of Use of Assets

Land has been leased out to the extent of 199.87 acres ( present holding after surrender) by SIPCOT to Eicot for 99 years to develop SEZ operation at Tirunelveli and the payment made in full as stated under Right use of Assets

There is no lease liability on the part of the Company and if any land surrendered to SIPCOT, on settent will be adjusted during that period from the original cost.

The amount shown as a carrying value of the Leasehold land, as a matter of Company policy consistently following, 5% of such carrying value Rs 28.87 lakhs ( previous year Rs 28.87 Lacs) will be expensed out over a period of lease as project expenses.





Notes Forming part of Financial Statements

3 Capital Work in Progress  
Ageing schedule shown as under

Particulars	<1 yr	1-2 y	2-3 y	>3 Y	Total
(a) CWIP - IT Building					
Building-IT Park-Hosur, Viswanathapuram	2,147.49	1,993.95	471.02	64.21	64.21
Building -IT Park, Trichy, Navalpattu	3,645.52	3,395.93	1,716.30	4.59	4,217.05
IT Building CBE Vilankurchi Admn	1,470.33	2,397.81	1,598.01	641.54	8,757.75
IT Tower- Sholinganallur	7,263.34	7,387.68	3,785.33	710.34	6,107.69
<b>Total</b>					<b>19,146.71</b>

4 CWIP Movements for the current reporting Financial Year

Particulars	Adjustment / Deduction	Capitalised	Transferred to Revenue
Building-IT Park-Hosur, Viswanathapuram- WI	345.15	281.79	63.36
Building - IT Park, Madurai, Ilanaiikulam- WIP	12.86	-	12.86
Building IT Park Madurai Vadapalangi- WIP	57.40	57.40	-
Building-IT Park, Salem- WIP	225.41	207.85	17.55
<b>Total</b>	<b>640.82</b>	<b>547.05</b>	<b>93.77</b>

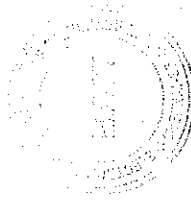
5 Excepted CWIP Completion schedule which is overdue beyond contractual period

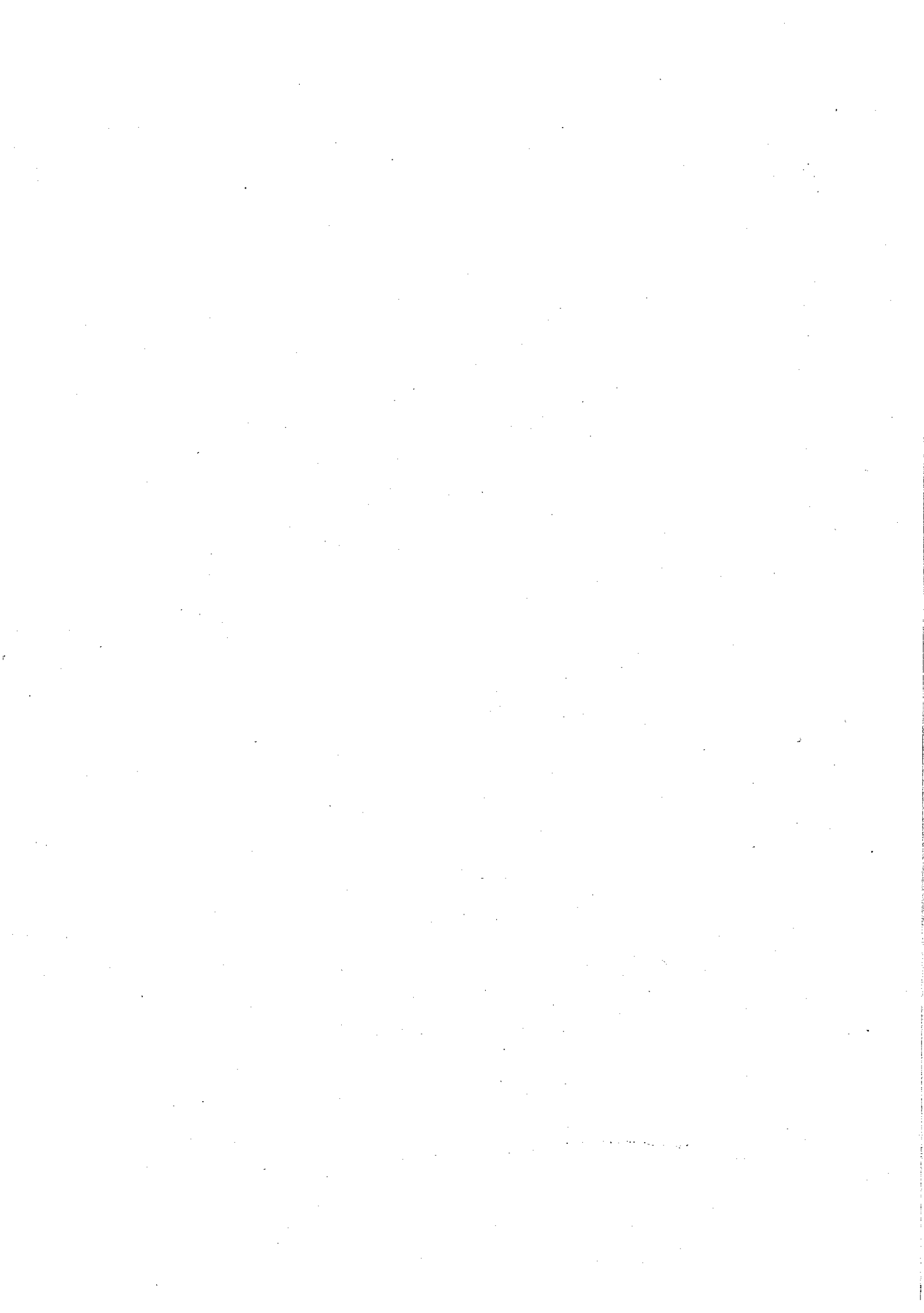
Particulars	period to be completed in years				Total
	<1 Year	>1-<2	>2-<3	>3	
Building-IT Park-Hosur, Viswanathapuram	1	1	-	-	1
Building -IT Park, Trichy, Navalpattu	1	1	-	-	1
IT Building CBE Vilankurchi Admn	1	1	-	-	1
IT Tower- Sholinganallur	1	1	-	-	1

6 Intangible Assets under development  
Ageing schedule shown as under

Particulars	period to be completed in years				Total
	<1 yr	1-2 y	2-3 y	>3 Y	
Intangible Assets under development	1.25	4.88	-	-	6.12
(a) Software development	1.25	4.88	-	-	6.12
<b>Total</b>					<b>6.12</b>

7 Investment property is measured at cost less impairment, if any. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in Statement of Profit and Loss. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is calculated using the straight-line method over their estimated useful lives.







Electronics Corporation of Tamilnadu Limited  
Notes Forming part of Financial Statements

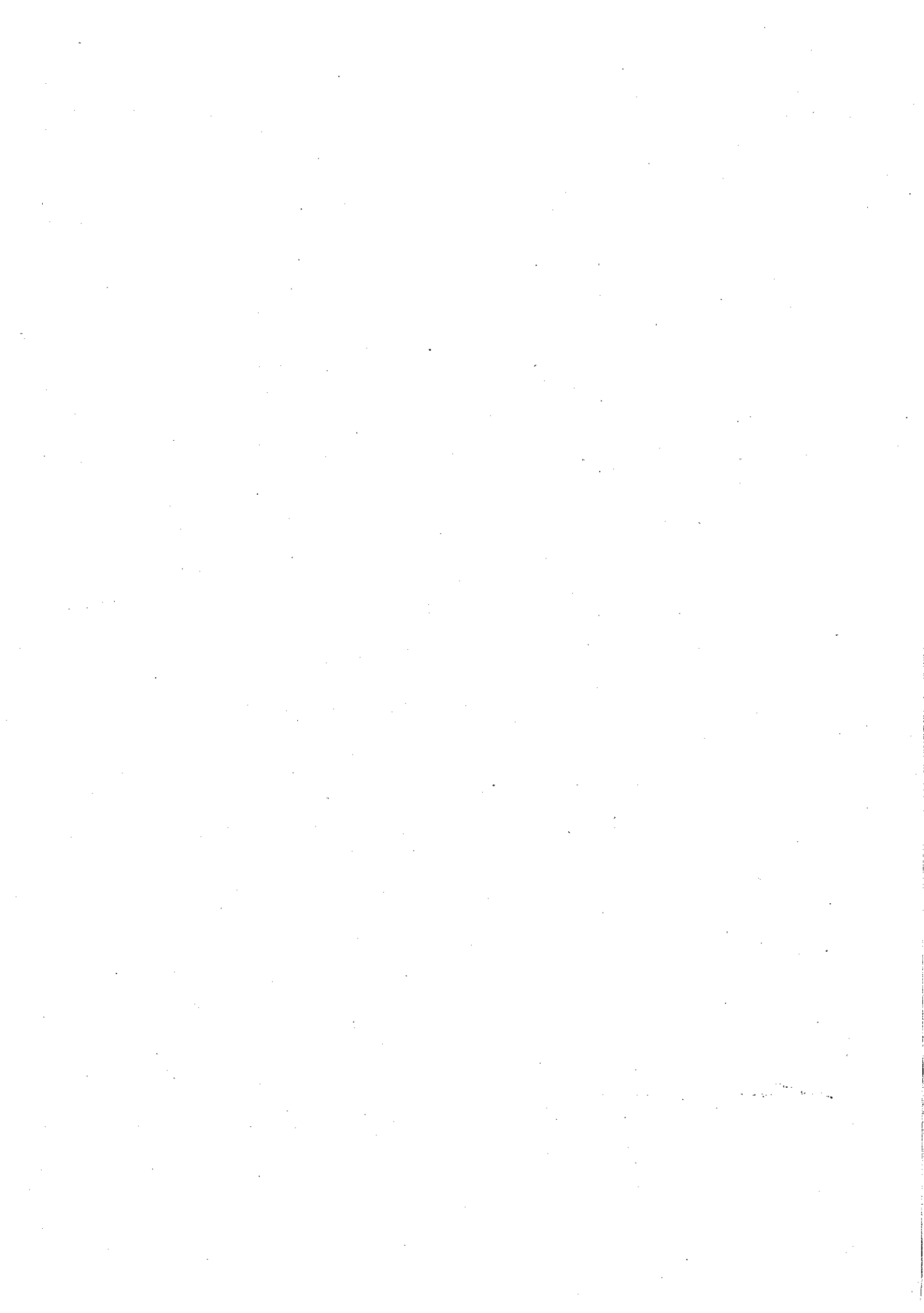
(Rs.in Lakhs)

Particulars	Face Value	As at 31st March, 2023		As at 31st March, 2022		As at 31st March, 2021	
		Number of Shares/units	Value	Number of Shares/units	Value	Number of shares/ units	Value
<b>Non-current investments</b>							
<b>(i) Designated at fair value through profit or loss:</b>							
<b>Quoted</b>							
<b>In equity shares of Companies</b>							
<b>a. Associates</b>							
Encore Infosys Limited	10	10,40,000	104.00	10,40,000	104.00	10,40,000	104.00
Elinet Technologies Ltd	10	15,81,600	0.01	15,81,600	0.01	15,81,600	0.01
Iykot Hi-Tech Tool Room Ltd	5	-	-	-	-	-	-
<b>Unquoted</b>							
<b>Investments in equity instruments</b>							
<b>a. Associates</b>							
Intwel Technologies Ltd	10	1,56,800	0.01	1,56,800	0.01	1,56,800	0.01
Kody Elcot Ltd	10	1,73,805	17.38	1,73,805	17.38	1,73,805	17.38
Ravichandra Systems & Computer Services Ltd	10	2,20,000	22.00	2,20,000	22.00	2,20,000	22.00
Tidel Park Coimbatore Ltd	10	7,51,96,295	7,519.63	7,51,96,295	7,519.63	7,51,96,295	7,519.63
AGT Electronics Ltd	10	4,00,000	40.00	4,00,000	40.00	4,00,000	40.00
<b>b. Joint Venture Companies</b>							
DC Elcot Software Ltd	10	2,40,000	0.01	2,40,000	0.01	2,40,000	0.01
Elen Computer & Accessories Ltd	10	2,60,000	-	2,60,000	-	2,60,000	0.01
S.A. International Ltd	10	10,450	-	10,450	-	10,450	0.01
Tidel Park Ltd	10	26,00,000	768.26	26,00,000	768.26	26,00,000	768.26
Elcot Power Controls Ltd	10	8,25,000	-	8,25,000	-	8,25,000	0.01
Encore Infosys Ltd	10	1,56,800	0.01	1,56,800	0.01	1,56,800	0.01
<b>c. Elcot Venture Companies</b>							
Savant India Institute of Technology P Ltd	10	11,000	1.10	11,000	1.10	11,000	1.10
DSQ Software Ltd	10	2,02,500	0.01	2,02,500	0.01	2,02,500	0.01
<b>Less : Provision for Impairment of investments</b>							
Kody Teck Ltd	10	(1,73,805)	17.38	(1,73,805)	17.38	(1,73,805)	17.38
Ravichandra Systems & Computer Services Ltd	10	(2,20,000)	22.00	(2,20,000)	22.00	(2,20,000)	22.00
Savant India Institute of Technology P Ltd	10	(11,000)	1.10	(11,000)	1.10	(11,000)	1.10
<b>C. Other Investments</b>							
Not-for Profit Public Private Partnership							
(Now reclassified)							
			<b>8,431.94</b>		<b>8,431.94</b>		<b>8,431.97</b>

Note: Amount paid to IIT Tirunelveli which was classified as investments earlier now reclassified as Non-Current Assets since it is not an Investment and the Institution is a non-profit organisation, the payment made will be amortised over years after the approval from the Board of Directors.

# The Company has elected Ind AS 101 exemption to continue with the carrying value for all of its Investment in subsidiaries, joint venture and associates as its deemed cost as at the date of transition.





Electronics Corporation of Tamilnadao Limited  
Notes Forming part of Financial Statements

The Following are the Struck off Company with the Registrar of Companies , India and the details are given as under

Name of struck off Company	Nature of transactions with struck off	Balance outstanding	Relationship with the Struck off company
Elcot Power Control Limited	Nil	Nil	Joint Venture
Elen Computer & Accessories Ltd	Nil	Nil	Joint Venture
S A International Limited	Nil	Nil	Joint Venture

All the Invested Companies have incorporated with Register of Companies Chennai

Note No : 4

Loans and Advances Non Current Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
ESI Deposit	3.63	3.63	3.63
Others	0.01	0.01	0.01
	3.64	3.64	3.64
	3.64	3.64	3.64

(Rs.in Lakhs)

Note No : 5

Trade Receivables- Non Current outstanding beyond cycle period Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
(i) Undisputed Trade receivables – considered good	3.30	89.00	85.35
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-
(iv) Disputed Trade Receivables– considered good	45.92	45.92	45.92
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-
	49.22	134.92	131.27

(Rs.in Lakhs)

Trade Receivables ageing schedule

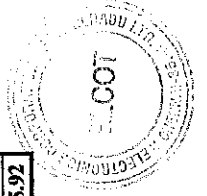
Outstanding for following periods from due date of payment

Undisputed Trade receivables – considered good	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Less than 6 months	-	-	-
6 months -1 year	3.30	50.91	38.09
1-2 years	-	-	47.26
2-3 years	-	38.09	-
More than 3 years	-	-	-
Total	3.30	89.00	85.35

Disputed Trade Receivables- considered good

Disputed Trade Receivables- considered good	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Less than 6 months	-	-	-
6 months -1 year	-	-	45.92
1-2 years	-	-	-
2-3 years	-	45.92	-
More than 3 years	45.92	-	-
Total	45.92	45.92	45.92

Note : Due to Dispute in Contractual Obligations, Rs.45.92 Lakhs is pending over 3 years in sundry debtors for settlement from ICICI Bank and the bank has earmarked funds in ICICI Bank account under Bank balances as payable to ICICI Bank





**Electronics Corporation of Tamilnadu Limited**  
**Notes Forming part of Financial Statements**

(Rs.in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Fixed Deposits - Non Current - Maturity beyond 12 Months			
Fixed Deposits with TNPFC	58,200.00	42,700.00	36,884.88
	58,200.00	42,700.00	36,884.88

(Rs.in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
EMD Receivable	2.67	2.67	2.67
Amount recoverable from associates/JV Companies	11.96	11.96	14.55
Security Deposits	33.72	30.80	30.85
SEZ Expenses Recoverable	8,538.89	6,832.63	6,493.34
Electricity Deposit	96.49	80.51	73.17
Income-tax Refund Due	3,686.00	3,083.44	3,056.39
MAT Credit Entitlement Adjusted against Deferred tax liability			
Rent Advance - TIIC	1.68	6.11	13.68
Receivable from Transfer of UCSC Assets to TACTV	-	-	502.18
Advance Paid to IIT Srirangam	1,000.00	1,000.00	1,000.00
	13,371.42	11,048.12	11,186.83
	13,371.42	11,048.12	11,186.83

Note: Amount paid to IIT Srirangam which was classified as investments earlier now reclassified as Non-Current Assets since it is not an Investment and the Institution is a non-profit organisation, the payment made will be amortised over years after the approval from the Board of Directors.

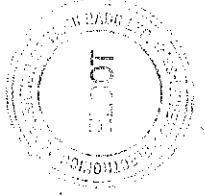
**Amount recoverable from Joint venture/associates Companies outstanding over 1 year**

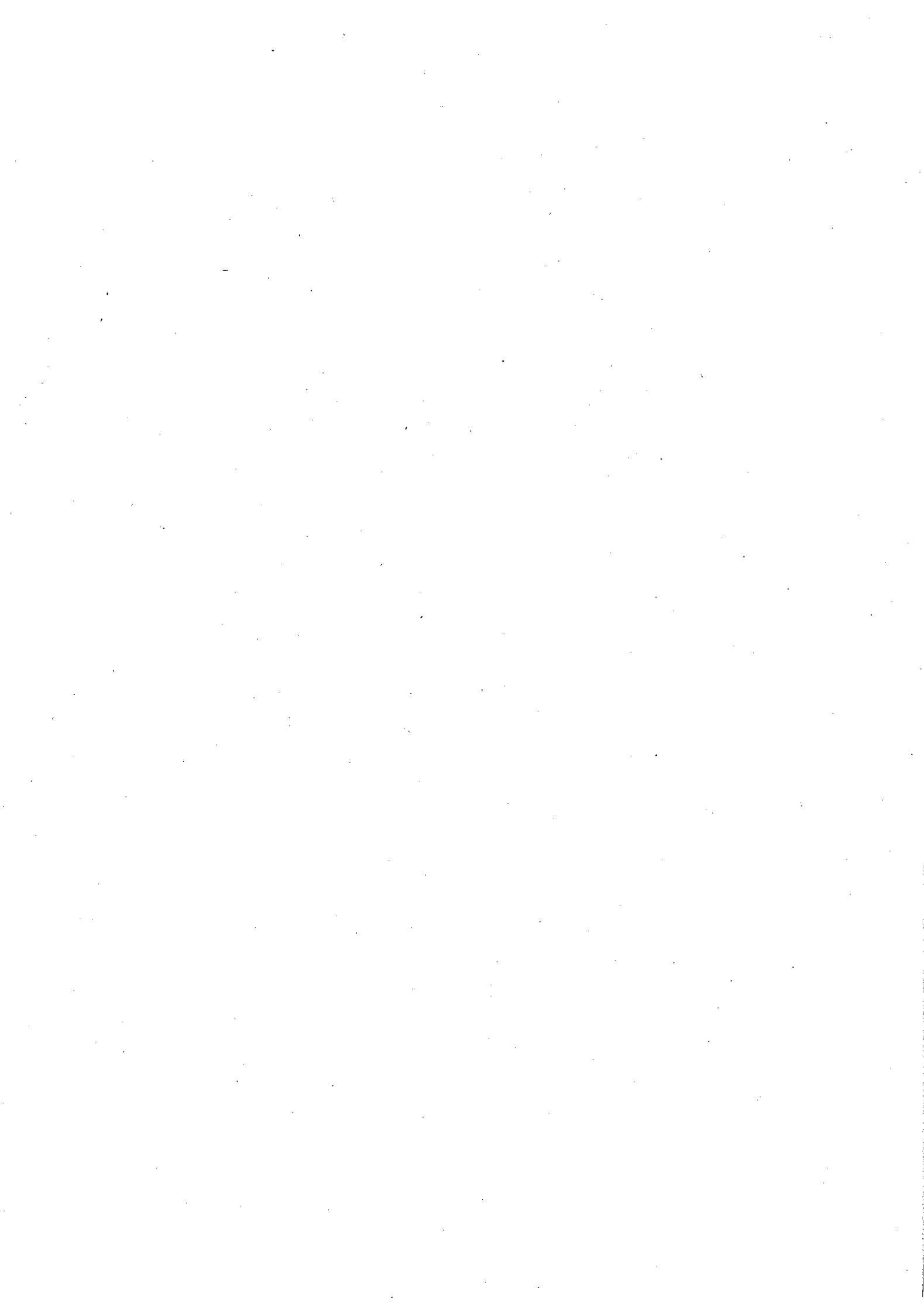
Name	Relationship	Balance
AGT Electronics	Associates	10.65
Elcot Electromech Devices Ltd(CA)	Joint Venture	1.31

(Rs.in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Raw Materials and Components VHF	14.54	14.54	14.54
Work-in-progress	1.73	1.73	1.73
Finished goods	17.37	17.37	17.37
	17.37	17.37	17.37

(At lower of cost and net realizable value, unless stated otherwise)





**Electronics Corporation of Tamilnadu Limited**  
**Notes Forming part of Financial Statements**

(Rs.in Lakhs)

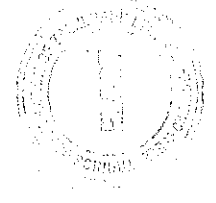
Note No : 9

Trade receivables - Current	As at 31st March, 2023		As at 31st March, 2022		As at 31st March, 2021
Particulars					
(i) Undisputed Trade receivables – considered good	292.99		987.10		1,439.92
Less: Provision for Credit Loss	-		-		-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-		-		-
(iii) Undisputed Trade Receivables – credit impaired	-		-		-
(iv) Disputed Trade Receivables – considered good	-		-		-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-		-		-
(vi) Disputed Trade Receivables – credit impaired	-	292.99	-	987.10	-
					1,439.92
<b>Trade Receivables ageing schedule</b>					
Outstanding for following periods from due date of payment					
(i) Undisputed Trade receivables – considered good		291.10		760.94	
- less than 6 months		1.88		226.16	
- 6 months to 1 year		-		-	
- 1 year to 2 years		-		-	
- 2 year to 3 years		-		-	
- More than 3 years		-		-	
		292.99		987.10	1,439.92

Note No : 10

(Rs.in Lakhs)

Cash and cash equivalents	As at 31st March, 2023		As at 31st March, 2022		As at 31st March, 2021
Particulars					
Balances with banks					
<i>In current accounts</i>	3,036.89		1,092.94		5,791.66
<i>In deposit accounts</i>	1,182.79		5,247.44		171.57
Cash on hand	0.10	4,219.78	0.10	6,340.48	0.01
		4,219.78		6,340.48	5,963.24
					5,963.24







**Electronics Corporation of Tamilnadu Limited**  
**Notes Forming part of Financial Statements**

**Note No : 11**

Loans and advances		(Rs.in Lakhs)	
Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
(Unsecured, considered good)			
<u>Other Loans &amp; Advances</u>			
-Secured			
Staff Advance	4.95	5.81	7.53
-Unsecured			
Others	1.40	106.28	0.53
	6.35	112.09	8.06
	6.35	112.09	8.06

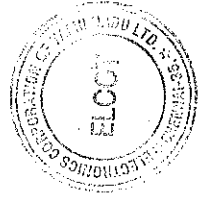
**Note No : 12**

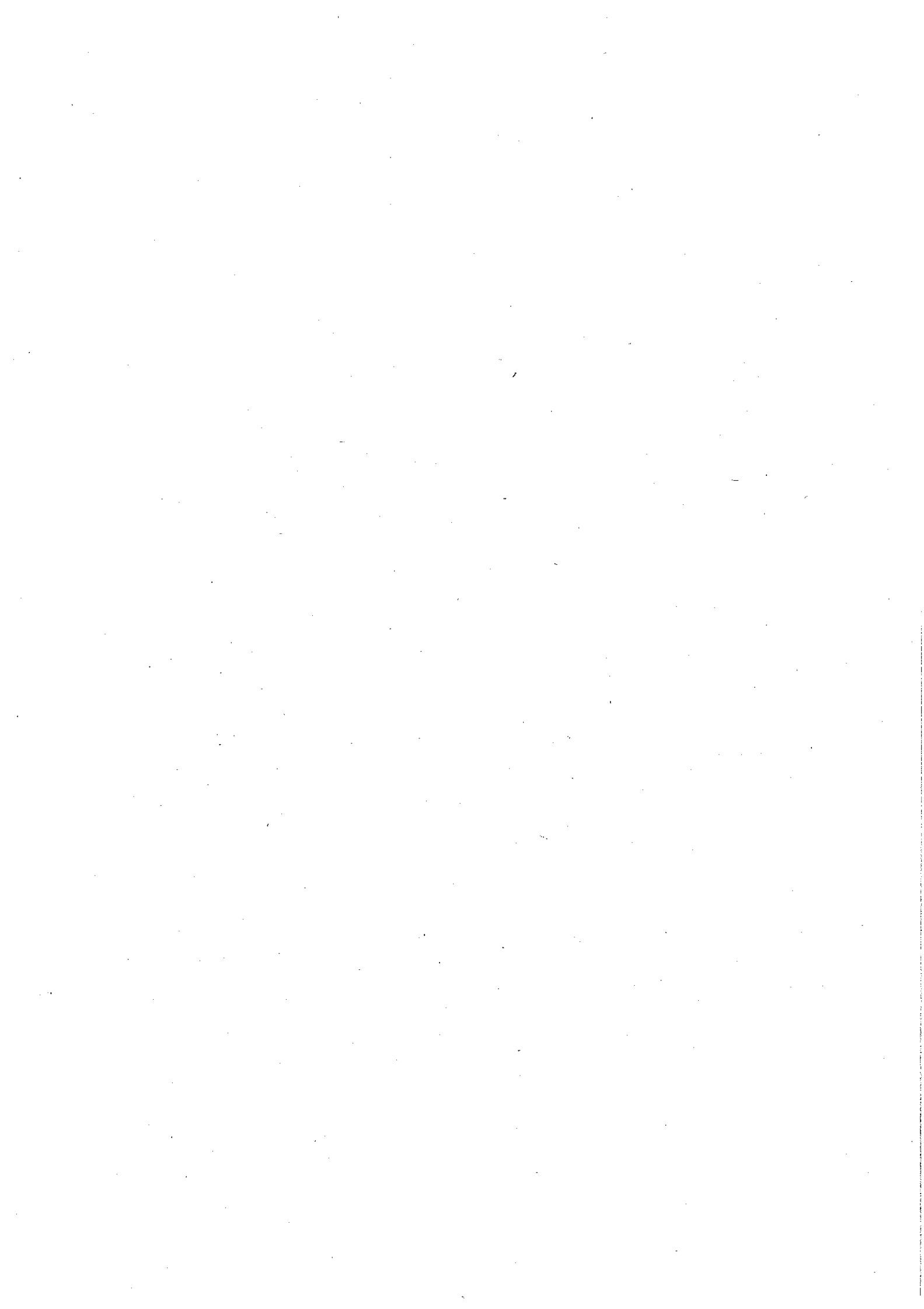
Balances other than cash and cash equivalents		(Rs.in Lakhs)	
Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Fixed Deposits with TNPFC	11,500.00	16,700.00	33,700.00
	11,500.00	16,700.00	33,700.00

**Note No : 13**

Other current assets		(Rs.in Lakhs)	
Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
(Unsecured, considered good)			
GST Input Receivable	47.57	-	57.89
TDS on GST input receivable	0.58	-	1.90
Interest Receivable	-	-	253.89
Prepaid expenses	25.58	20.48	18.75
Dividend Receivable	-	46.80	432.00
Advance Tax	450.48	523.22	154.41
Tax Deducted at Source	652.84	653.23	509.74
Tax Collected at Source	-	0.02	-
Others- Accrued Income	0.07	27.33	1,397.76
	1,177.12	1,271.07	2,826.33
	1,177.12	1,271.07	2,826.33

**Note: Prepaid Expenses includes Rs 6.59 lakhs towards CSR excess spent to be adjusted for future period**





**Electronics Corporation of Tamilnadu Limited**  
**Notes Forming part of Financial Statements**

Note No : 14

Particulars	As at 31st March, 2023		As at 31st March, 2022		As at 31st March, 2021	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
(a) <b>Authorised</b> Equity shares of par value Rs 1000/- each	3,00,000	3,000	3,00,000	3,000	3,00,000	3,000
(b) <b>Issued, subscribed and fully paid up</b> Equity shares of par value Rs 1000/- each at the beginning Changes during the year <b>At the end of the year</b>	3,00,000 2,59,305 2,59,305	3,000 2,593.05 2,593.05	3,00,000 2,59,305 2,59,305	3,000 2,593.05 2,593.05	3,00,000 2,59,305 2,59,305	3,000 2,593.05 2,593.05

(c) The Company has only one class of equity shares having a par value of Rs. 1000/- per share. Each holder of equity shares is entitled to one vote per share. The holders of Equity Shares are entitled to receive dividends as declared from time to time. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held.

(d) Shareholders holding more than 5 % of the equity shares in the Company :

Name of shareholder	As at 31st March, 2023		As at 31st March, 2022		As at 31st March, 2021	
	No. of shares held	% of holding	No. of shares held	% of holding	No. of shares held	% of holding
The Governor of Tamilnadu	2,59,302	99.99%	2,59,302	99.99%	2,59,302	99.99%

Note No : 15

Particulars	As at 31st March, 2023		As at 31st March, 2022		As at 31st March, 2021			
	Amount	% of holding	Amount	% of holding	Amount	% of holding		
(a) <b>Revaluation reserve</b> Balance as per last account Add: Transfer from Retained earnings	5,897.55	5,897.55	5,897.55	5,897.55	5,897.55	5,897.55		
(b) <b>Retained earnings</b> Balance as per Last Account Prior period items Add : Surplus as per Statement of Profit and Loss Amount available for appropriation Less : Appropriations: Dividend on equity shares Tax on dividend Transfer to general reserve <b>Balance at the end of the year</b> <b>Other Comprehensive Income (OCI)</b> Balance as per Last Account Add: Other comprehensive income for the year Less: Transfer to retained earnings <b>Total other equity</b>	22,800.56 (3,21) 1,325.36 24,122.71 (777.92) - - - (206.32) 97.67 0.00		21,286.46 360.04 2,004.90 23,651.40 (850.83) - - - (206.32) 0.00 0.00		16,452.84 2,792.71 2,818.83 22,064.37 (777.92) - - - (206.32) 0.00 0.00		22,800.56 (206.32) 29,133.69	
			22,800.56		21,286.46		27,184.01	





**Electronics Corporation of Taminadu Limited**  
**Notes Forming part of Financial Statements**

(Rs. in lakhs)

Non-Current Financial Liability		As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Particulars				
Long Term Borrowings				12.44
Government Grants				5,336.73
Opening Balance	1,822.56		3,663.23	270.44
Add : Additions / transfer during the year	6,498.94		633.78	1,943.95
Less: Utilized / transfer during the year	4,802.96		2,564.81	62.20
Add: Interest due on Government Grants		3,518.54	90.36	
Closing Balance			1,822.56	3,725.43
<b>Total</b>		<b>3,518.54</b>	<b>1,822.56</b>	<b>3,737.87</b>

(Rs. in lakhs)

Provisions		As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Particulars				
Provision for Leave Salary				713.86
	879.81		1,013.71	713.86
		879.81	1,013.71	
		879.81	1,013.71	713.86

(Rs. in lakhs)

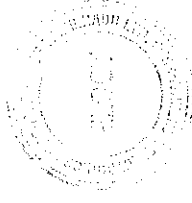
Deferred tax Assets/(liabilities)		As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Particulars				
Balance at the beginning of the year				600.49
Provision for the current year	1,168.30		791.42	190.93
	296.46		376.88	
		1,464.76	1,168.30	791.42
MAT Credit Entitlement		1,847.53	2,060.41	1,700.37
Balance at the end of the year Net		<b>382.77</b>	<b>892.11</b>	<b>908.95</b>

(Rs. in lakhs)

Other Non-Current Liability		As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Particulars				
(i) Lease Liabilities				49,122.28
- Land lease deposits	47,144.17		47,254.12	
(ii) Others				403.56
- Payable to suppliers of capital goods	1,219.57		1,927.55	
		<b>48,363.74</b>	<b>49,181.68</b>	<b>49,525.85</b>

(Rs. in lakhs)

Trade Payables - Current		As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Particulars				
Total outstanding dues of micro enterprises and small en				
Total outstanding dues of creditors other than micro enterprises and small enterprises				917.01
	1,119.45		987.31	917.01
		1,119.45	987.31	
<b>TRADE PAYABLES AGEING SCHEDULE</b>				
<b>OTHERS</b>				
- less than 1 year	218.15		987.31	496.91
- 1 year to 2 years	901.31		-	192.06
- 2 year to 3 years	-		-	147.41
- More than 3 years	-		-	80.62
	<b>1,119.45</b>		<b>987.31</b>	<b>917.00</b>





**Electronics Corporation of Tamilnadu Limited**  
**Notes Forming part of Financial Statements**

(Rs.in lakhs)

Note No : 21

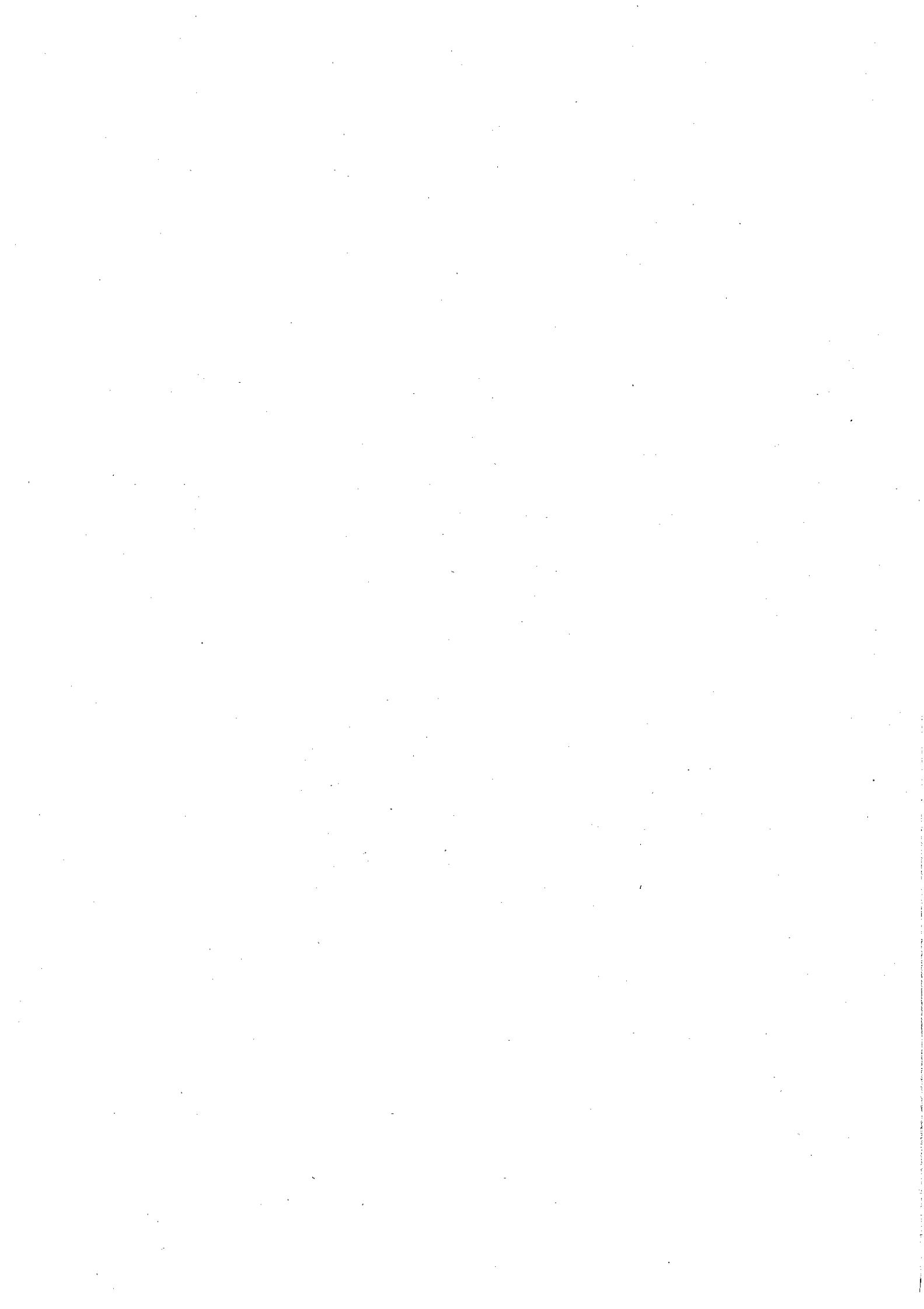
Particulars	As at 31st March, 2023		As at 31st March, 2022		As at 31st March, 2021	
Advance from Customers- Refer Note No	56,514.00		40,125.79		46,071.56	
Land lease deposits- forfeiture	2,300.89		2,297.17		2,297.17	
Security Deposit Payable	697.00		676.13		691.02	
EMD Payable	765.25		892.34		1,028.41	
GST Payable	21.52		30.76		68.67	
TDS on GST Payable	69.76		139.80		137.10	
TDS Payable	1.83		-		-	
Interest due on Government Grants	332.92		-		-	
Expenses Payable	877.81		861.05		961.15	
Payable for Purchase of Fixed Assets	-		-		149.47	
Other Payables	17,691.31		19,871.39		21,154.49	
		79,272.28		64,894.42		72,559.03
		<b>79,272.28</b>		<b>64,894.42</b>		<b>72,559.03</b>

(Rs.in lakhs)

Note No : 22

Particulars	As at 31st March, 2023		As at 31st March, 2022		As at 31st March, 2021	
Provision for Bonus	0.84		0.98		0.98	
Provision for Leave Salary to Employee;	191.33		185.11		129.92	
Provision for Gratuity premium	13.78		-		-	
Provision for income tax	523.71		761.02		637.20	
		729.66		947.11		768.10
		<b>729.66</b>		<b>947.11</b>		<b>768.10</b>







**Electronics Corporation of Tamilnadu Limited**  
**Notes Forming part of Financial Statements**

Note No : 23

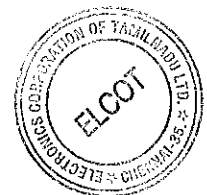
(Rs.in lakhs)

<b>Revenue From Operations</b>		
Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Sale of Products</b>		
E-Tender Revenue	14.00	15.91
Sales - ID Cards	0.57	0.87
<b>Service Income</b>	-	-
Service Charges - Aadhaar	983.87	986.35
Service charges - Linux Training	-	5.80
Service Charges - Right of Way (R.O.W)	78.36	-
Service Charges - E-Gov Software Maintenance	14.68	7.96
Service Charges - Advertisement	31.39	41.04
Service Charges - Event Management - VCS Projects	28.81	30.20
Service Charges - Manpower	3.18	60.87
Service Charges - Laptop Scheme	-	190.05
Service Charges - IT Infra Projects	327.17	242.97
Service Charges - Procurement	280.52	449.11
Service Charges - Projects	23.95	40.24
ITPD Division Income	203.20	2.50
<b>SEZ Income</b>	-	-
Rent from IT Parks	762.46	683.37
Interest on Late Payment	10.48	122.27
Land Lease Deposits Forfeited	2,587.39	2,368.68
Land Lease Processing Fees	0.77	0.09
Lease Rental Income	0.00	0.00
	<b>5,350.79</b>	<b>5,248.29</b>

Note No : 24

(Rs.in lakhs)

<b>Other Income</b>		
Particulars	As at 31st March, 2023	As at 31st March, 2022
<b><u>Interest Income</u></b>		
Interest On Deposits/Advances (Includes TDS)	5,277.72	5,175.58
Dividend Income -JV companies (Includes TDS)	80.94	77.89
<b><u>Other Non- Operating Income</u></b>	-	-
Rent	17.25	53.59
Depreciation on Fixed Assets funded out of TDCE/NORAD		
Grant	0.34	0.07
Profit on Sale of Assets	0.71	-
Scrap Sales	7.85	-
Security Deposit Forfeited	2.54	-
Sitting Fees	0.10	0.10
Miscellaneous Income	44.20	74.68
	<b>5,431.65</b>	<b>5,381.91</b>



Note No : 25

(Rs.in lakhs)

Cost of materials consumed		
Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Cost of Material Consumed</b>		
Purchase of ID Card	0.41	0.81
<b>Direct Expenses</b>		
SEZ Expenses	-	-
IT Building Revenue Expenses	897.23	1,803.74
<b>Project Expenses</b>		
Aadhaar PEC Expenses	555.91	445.15
Land Lease Deposit -Forfeiture(SIPCOT)	28.87	28.87
E-Tender Expenses	-	8.95
Priceless Laptop Scheme Expenses	-	1.67
	<b>1,482.42</b>	<b>2,289.18</b>

Note No : 26

(Rs.in lakhs)

Employee Benefit expenses		
Particulars	As at 31st March, 2023	As at 31st March, 2022
Salaries & Wages	1,465.37	1,281.77
Contribution to Provident & Other Funds	147.48	147.54
Gratuity- Scheme 1	16.86	5.51
Gratuity- Scheme II	2.38	
Staff Welfare Expenses	134.43	148.23
	<b>1,766.51</b>	<b>1,583.05</b>

**Note**

- 1 Salaries and wages include addition of Rs. 137.79 Lakhs for the year 2022-23 and exclude Rs.291.08 Lakhs for the year 2021-22 due to Actuarial loss/(gain) on Leave Encashment obligations on adoption of Ind AS for the first year
- 2 Gratuity Scheme II premium paid Rs 6.64 lakhs ( previous year Rs 4.64 lakhs)of which Rs 4.77 (previous year Rs 3.09 lakhs) pertains to next financial year carried under the head prepaid expenses.
- 3 An amount of Rs 11.42 lacs ( previous year Rs 395.64 lacs) of Leave salary on employees included under contribution to provided & other funds being for the current year recognised through as per the actuarial valuation of Rs 11.42 lacs ( previous year Rs 395.64 lacs)

Note No : 27

(Rs.in lakhs)

Finance Costs		
Particulars	As at 31st March, 2023	As at 31st March, 2022
Interest Expenses		
-Interest on Government of Tamil Nadu - Advance for Supplies	3,289.40	2,331.42
Interest to Government on unutilised Grants	332.92	
-Interest on TNPFC Loan	31.19	192.06
Interest - GST	0.89	
Interest - Others	25.75	
Bank Charges	2.61	1.51
	<b>3,682.76</b>	<b>2,524.99</b>



<b>Other Expenses</b>		
<b>Particulars</b>	<b>As at 31st March, 2023</b>	<b>As at 31st March, 2022</b>
Payment to Auditors - Audit Fee	5.16	5.16
Bad Debts- written off	38.09	-
Conveyance & Travelling	31.71	3.46
Insurance	15.65	15.91
Repairs & Maintenance	45.94	31.72
Printing & Stationery	13.83	9.68
Professional Fees	19.29	27.83
Rates & Taxes	15.17	22.32
Vehicle Hire Charges	40.73	36.39
Advertisement	35.07	13.44
Communication Expenses	7.01	8.74
Development Expenses	594.95	57.84
Manpower Outsourcing	425.44	251.65
Office Maintenance	18.41	36.20
Data Centre Expenses	1.09	6.03
Honorarium Fee	0.78	-
Linux Training Expenses	-	5.53
Security Charges	12.28	16.48
Power & Fuel	47.54	75.03
Refreshment Expenses	1.79	2.45
R.O.W Expenses	0.59	-
Books & Periodicals	0.02	0.13
Subscription to Bodies	10.00	10.00
Corporate Social Responsibility	58.52	87.44
Water Charges	3.20	2.23
Rent	-	29.04
	<b>1,442.24</b>	<b>754.69</b>

**Note for Auditor's Remuneration**

(Rs.in lakhs)

<b>Particulars</b>	<b>As at 31st March, 2023</b>	<b>As at 31st March, 2022</b>
Statutory Audit Fees	2.50	2.50
Tax Audit Fees	0.50	0.50
Concurrent Audit Fees	2.16	2.16
	<b>5.16</b>	<b>5.16</b>

**Note No : 29**

(Rs.in lakhs)

<b>Other comprehensive income</b>		
<b>Particulars</b>	<b>As at 31st March, 2023</b>	<b>As at 31st March, 2022</b>
<u>Items that will not be reclassified to profit or loss</u>		
Re- measurement of defined benefit plans net actuarial (gain)/ loss recognised in OCI	137.79	(291.08)
Deferred tax	(40.12)	84.76
	<b>97.67</b>	<b>(206.32)</b>





**Note no 30: Employee Benefit Plans**

Disclosures required under Indian Accounting Standard (Ind-AS) 19 "Employee Benefits" notified in the Companies (Indian Accounting Standards) Rules 2015:

As per the Company's accounting policy actuarial gains and losses are recognized as per paras 127,128 and 129 of Ind AS19.

A liability for Compensated absences arises in respect of leave to credit as on valuation date on account of

- i) availment in future
- ii) encashment during service in future
- iii) on separation.

Accordingly, in carrying out an actuarial valuation of compensated absence liability, it is assumed that part of the accumulated leave as on the valuation date will get availed in future and a part will get encashed. The leave which gets availed whilst in service is valued on employee's cost to company [CTC] basis whereas the leave encashment is valued on the basis of the criteria specified in the company's leave encashment policy. Assumption relating to leave consumed on account of various contingencies is given later in the Report. This assumption is based on LIFO basis i.e. Last in first out. This means that leave availed and encashed is first taken out of entitlement after the valuation date and then only, if necessary, out of balance brought forward from the valuation date.

**i) Short term obligations:**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' service upto the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet. The monthly contributions of employee pension and Provident fund are remitted to the fund administered by the Regional Provident Commissioner and the Trust respectively.

**ii) Other Long term employee benefit:**

The liabilities for earned leave and Gratuity are settled on cash payment basis as and when the same arises.



For the Financial year ending 31<sup>st</sup> March 2023

(Rs.in lakhs)

<b>Group Gratuity Scheme of Employees</b>	
Average age	37.47
Average Monthly Salary	0.79
Valuation method	Projected Unit Credit method
Withdrawal Rate	1% to 3% depending
Discount rate	7.20% p.a
Salary Escalation	7%
<b>RESULTS OF VALUATION</b>	
a. Present Value of Past Service Benefit	40.11
b. Current service Cost	6.01
c. Total Service Gratuity	193.38
d. Accrued Gratuity	41.89
Recommended Contribution	
e. Fund value as on 31.03.23	32.35
f. Additional Contribution for existing fund	7.76
g. Current Service Cost	6.01
Total Amount Payable (f+g)	<b>13.78</b>

1.0 The following sets out the details of inputs given by the Enterprise, Assumptions made and Results of the valuation. (Rs.in lakhs)

1.1 Date of valuation	31-03-22	31-03-23
<b>1.2 Employee Profile</b>		
Age of Retirement	60	60
Number of employees	98	82
Total monthly relevant salary for leave	99.26	88.01
Average monthly relevant salary for leave	1.01	1.07
Total monthly cost to company [CTC]	198.52	110.02
Average monthly cost to company [CTC]	2.03	1.34
Average Age	53.0	52.6
Average past service	29.0	28.6
Total Number of Leave days [EL] carried forward	28,911	24,583
Average Number of Leave days [EL] carried forward	295	300
Estimated Average Future working life	6.4	6.8
<b>1.3 Assumptions:</b>		
Discount rate as per para 83 of Ind AS 19	6.59%	7.15%
Expected rate of return on Plan Assets	0.00%	0.00%
Rate of increase in compensation levels	10.00%	10.00%
Attrition rate fixed by Enterprise	1.00%	1.00%
Expected Utilization Pattern of Carried Forward Leave Days.		
Proportion of Leave availment	10.00%	10.00%
Proportion of encashment during service	10.00%	10.00%
Proportion of encashment on separation	80.00%	80.00%



## 2.1 SUMMARY OF KEY RESULTS

(Rs.in lakhs)

<b>PRESENT VALUE OF OBLIGATION</b>	<b>1198.82</b>	<b>1071.14</b>
------------------------------------	----------------	----------------

<b>I. PRINCIPAL ACTUARIAL ASSUMPTIONS</b> [Expressed as weighted averages]	<b>31-03-22</b>	<b>31-03-23</b>
Discount Rate	6.59%	7.15%
Rate of increase in compensation levels	10.00%	10.00%
Attrition Rate	1.00%	1.00%
Expected rate of return on Plan Assets	0.00%	0.00%

<b>II. CHANGES IN THE PRESENT VALUE OF THE OBLIGATION (PVO)</b>		
<b>PVO as at the beginning of the period</b>	<b>843.78</b>	<b>1198.82</b>
Interest Cost	52.54	74.42
Current service cost	52.02	74.79
Past service cost	0	0
Benefits paid	(40.61)	(139.09)
Actuarial loss/(gain) on obligation (balancing figure)	291.08	(137.79)
<b>PVO as at the end of the period</b>	<b>1198.82</b>	<b>1071.14</b>

<b>III. CHANGES IN THE FAIR VALUE OF PLAN ASSETS - RECONCILIATION OF OPENING AND CLOSING BALANCES:</b>		
<b>Fair value of plan assets as at the beginning of the period</b>	<b>0</b>	<b>0</b>
Expected return on plan assets	0	0
Contributions	40.61	139.09
Benefits paid	(40.61)	(139.09)
Actuarial gain/(loss) on plan assets [balancing figure]	0	0
<b>Fair value of plan assets as at the end of the period</b>	<b>0</b>	<b>0</b>

<b>IV. ACTUAL RETURN ON PLAN ASSETS</b>		
Expected return on plan assets	0	0
Actuarial gain (loss) on plan assets	0	0
Actual return on plan assets	0	0



<b>V ACTUARIAL GAINS AND LOSSES RECOGNIZED</b>		
Actuarial gain (loss) for year – obligation	(291.08)	137.79
Actuarial gain (loss) for year - plan assets	0	0
Subtotal	(291.08)	137.79
Actuarial (gain) / loss recognized	291.08	(137.79)
Unrecognized actuarial gains (losses) at the end of the period	0	0

<b>VI. AMOUNTS RECOGNISED IN THE BALANCE SHEET AND RELATED ANALYSES</b>		
Present value of the obligation	1198.82	1071.14
Fair value of plan assets	0	0
Difference	1198.82	1071.14
<b>Liability recognized in the balance sheet</b>	<b>1198.82</b>	<b>1071.14</b>

<b>VII. EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS:</b>		
Current service cost	52.03	74.79
Interest on obligation	52.54	74.42
Expected return on plan assets	0	0
Net actuarial (gain)/loss recognized during the period	291.08	(137.79)
Past service cost	0	0
<b>Expenses recognized in the statement of profit and loss</b>	<b>395.64</b>	<b>11.42</b>

<b>VIII. MOVEMENTS IN THE LIABILITY RECOGNIZED IN THE BALANCE SHEET</b>		
Opening net liability	843.78	1198.82
Expense as above	395.64	11.42
Contribution paid	(40.61)	(139.09)
<b>Closing net liability</b>	<b>1198.82</b>	<b>1071.14</b>





<b>IX. AMOUNT FOR THE CURRENT PERIOD</b>		
Present Value of obligation	1198.82	1071.14
Plan Assets	0	0
Surplus (Deficit)	(1198.82)	(1071.14)
Experience adjustments on plan liabilities -(loss)/gain	(52.90)	59.85
Impact of change in assumptions on plan liabilities - (loss) / gain	(238.17)	77.94
Experience adjustments on plan assets -(loss)/gain	0	0

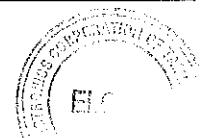
<b>X. MAJOR CATEGORIES OF PLAN ASSETS (AS PERCENTAGE OF TOTAL PLAN ASSETS)</b>		
Government of India Securities	0.00%	0.00%
State Government Securities	0.00%	0.00%
High Quality Corporate Bonds	0.00%	0.00%
Equity shares of listed companies	0.00%	0.00%
Property	0.00%	0.00%
Special Deposit Scheme	0.00%	0.00%
Funds managed by Insurer	0.00%	0.00%
Others (to specify)	0.00%	0.00%
Total	0.00%	0.00%

<b>XI. ENTERPRISE'S BEST ESTIMATE OF CONTRIBUTION DURING NEXT YEAR</b>		
	0	0

2.0 The following table sets out the additional disclosures required under IND AS 19:

3.1 Date of Valuation 31-03-22 31-03-23  
(Rs.in Lakhs)

3.2 Average Duration of Defined Benefit Obligations [in years]	5.7	6.0
3.3 Sensitivity Analyses		
A. Discount Rate + 50 BP	7.09%	7.65%
Defined Benefit Obligation [PVO]	1168.03	1042.66
Current Service Cost	72.33	29.24
B. Discount Rate - 50 BP	6.09%	6.65%
Defined Benefit Obligation [PVO]	1231.58	1101.61
Current Service Cost	77.45	31.21
C. Salary Escalation Rate + 50 BP	10.50%	10.50%
Defined Benefit Obligation [PVO]	1230.38	1100.65
Current Service Cost	77.35	31.17



D. Salary Escalation Rate - 50 BP	9.50%	9.50%
Defined Benefit Obligation [PVO]	1168.82	1043.26
Current Service Cost	2.40	29.26
BP denotes "Basis Points"		
<b>3.4 Expected Contributions in Following Years [mid-year cash flows]</b>		
Year 1	116.05	93.46
Year 2	201.98	294.01
Year 3	278.86	152.80
Year 4	156.66	153.27
Year 5	192.79	108.80
Next 5 Years	361.54	278.80
"NA " denoted " Not Available"		
<b>3.5 Expected Benefit Payments in Following Years [mid-year cash flows]</b>		
Year 1	116.05	93.46
Year 2	201.98	294.01
Year 3	278.86	152.80
Year 4	156.66	153.27
Year 5	192.79	108.80
Next 5 Years	361.54	278.80

TYPE OF EMPLOYEE BENEFIT	EARNED LEAVE(Rs.in lakhs)
CURRENT COMPONENT OF PVO- LONG TERM LEAVE	191.33
NON-CURRENT COMPONENT OF PVO-LONG TERM LEAVE	879.81
<b>TOTAL PVO</b>	<b>1071.14</b>

**Table of Leave encashment salary provision recognised in the financial statement (Rs.in Lakhs)**

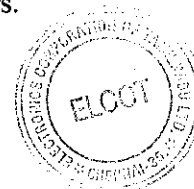
Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Short term Leave salary liability on employees	191.33	185.11
Long Term Leave salary liability on employees	879.81	1013.71
<b>Total</b>	<b>1071.14</b>	<b>1198.82</b>

**Note No 31: Investments**

1) The Company has invested the following in the nature of investment: (Rs.in lakhs)

Type of Entity	Year ended March 31, 2023	Year ended March 31, 2022	Percentage
Associates	7703.03	7703.03	81.67
Joint Venture Companies	769.39	769.42	7.73

Advance paid to IIIT Srirangan which had been classified as investments earlier now reclassified as **Non-Current Assets** since it is not Investments and the Institution is a non-profit organisation, the payment made will be amortised over years after the approval from the Board of Directors.



2) **Market Value of Quoted Investments: -**

(Rs. in Lakhs)

Name of the Associates	Market price per share as on 31.03.2023	No. of Shares Held	Market value as on 31.03.2023
Elnet Technologies Ltd	160.05	10,40,000	1664.52 Lakhs
Iykot Hi-Tech Tool Room Ltd	11.65	15,81,600	184.26 Lakhs
<b>Total</b>			<b>1848.78 Lakhs</b>

Suitable provision made in the Books for impairment in value of investments -Refer Note no 3 of financial statements.

The details of Investments and the position as on the reporting date given as under (Rs. In Lakhs)

Name of the Company	No of Shares	Face Value	Opening Balance	Provision	Closing Balance	Current status	Total Capital	% Shares	Profit & Loss
<b>ASSOCIATES</b>									
Elnet Technologies Limited *	10,40,000	10	104.00	-	104.00	Active	104.00	0.26	1,261.35
Iykot Hi-Tech Tool Room Ltd *	15,81,600	5	-	-	-	Active	79.08	0.26	20.09
AGT Electronics Ltd	4,00,000	10	40.00	-	40.00	Active	40.00	0.26	20.62
Intwel Technologies Ltd	1,56,800	10	0.01	-	0.01	Active	15.68	0.50	(2.31)
Kody Elcot Limited	1,73,805	10	17.38	17.38	-	Active	17.38	0.26	3.41
Ravichandra Systems & Computer Services Ltd	2,20,000	10	22.00	22.00	-	Active	22.00	0.28	(29.84)
Tidel Park Coimbatore Limited	7,51,96,295	10	7,519.63	-	7,519.63	Active	7,419.63	0.33	167.12
<b>JV COMPANIES</b>									
DC Elcot Software Ltd	2,40,000	10	0.01	-	0.01	Active	24.00	0.26	0.19
Elen Computer & Accessories Ltd	2,60,000	10	-	-	-	Strike Off	26.00	0.26	Nil
Elcot Power Controls Ltd	8,25,000	10	0.01	-	0.01	Liquidated	40.00	0.37	Nil
Encore Infosys Ltd	1,56,800	10	0.01	-	0.01	Active	4.64	0.01	14.86
S A International Limited	10,450	10	-	-	-	Strike Off	10.45	0.29	Nil
Tidel Park Limited	26,00,000	10	768.26	-	768.26	Active	260.00	0.06	4,748.00
DSQ Software Ltd	2,02,500	10	0.01	-	0.01	Inactive	20.25	0.01	Nil
Savant India Institute of Technology P ltd	11,000	10	1.10	1.10	-	Active	1.10	0.01	58.84
<b>TOTAL</b>			<b>8,472.42</b>	<b>40.48</b>	<b>8,431.94</b>				

Note : \*Quoted company



**Note No 32: Provisions not made**

- a) No interest is charged on the amount recoverable from Joint Venture Companies except for interest bearing Loans and Advances sanctioned to them wherever applicable.
- b) Rent amounting to Rs. 0.16 Lakhs due from Staff Quarters (previous year Rs. 0.16 lakhs/-) at Hosur occupied by ELNET Ltd has not been provided in the Accounts since the said Company's operations have come to a standstill and the company has been referred to BIFR and a Liquidator appointed by the Hon'ble High Court of Madras and decision pending
- c) Stock worth Rs.173.66 Lakhs (Reference to Note No. 8 of Inventories) which was earlier purchased for executing single channel VHF Equipment order from DOT could not be disposed-off, as final orders of Hon'ble High court are awaited. During the year 2006-07, as per the advice of the Accountant General and in accordance with AS - 2, 10% of the Inventory was valued at the NRV and the balance 90% amounting to Rs.156.29 Lakhs written off. Although the NRV of the stock is Nil as on date, the NRV of the stock as in 2006-07 is being maintained in the Accounts pending orders of the Hon'ble Court.
- d) M/s. Elnet Technologies Ltd., an associate Company, has been given land on lease at Taramani, Chennai for 90 years on a receipt of Rs. 1139.10 Lakhs fully refundable lease deposit on 14<sup>th</sup> January 1999. In this regard, Elcot has claimed an interest amount on delayed payment of lease deposit for the period from May 18, 2000 to August 6, 2021 which amounts to Rs. 1273.50 lakhs. The issue is still under progress and which was originally expected to be resolved in the financial year 2022-23 but still pending to be resolved. No provision has been considered in the books of account for the reporting year.

- e) The financial commitments to Elcot by M/s. Tidel Park Coimbatore Ltd., an associate Company of Elcot are furnished below for which no provisions have been considered in the books since the issue is under final verification and confirmation:

Lease Service Charges	Rs. 77.43 lakhs (previous year Rs 77.43 lakhs)
Lease interest on Lease deposits	Rs 141.04 Lakhs (previous year Rs 141.04 Lakhs)
Maintenance Charges	Rs NIL (previous Year Rs 44.55 Lakhs)
Interest on Service Charges	Rs. 339.35 lakhs (previous year Rs 339.35 Lakhs)



**Note No: 33 Land from SIPCOT**

For development of IT park at Gangaikondan, Tirunelveli, SIPCOT has originally allotted 500 acres of Land in the year 2011. An amount of Rs 2419.00 Lakhs has been paid to SIPCOT one time on the date of signing of agreement and an amount of Rs 201.41 Lacs have amortised till 31<sup>st</sup> March 2021 and the balance shown under schedule of Property, Plant and Equipment in Right of Use of Assets.

The details are given as under:

(Rs in Lakhs)

Particulars	Extent in acres	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Original allotment land by SIPCOT- opening after lease forfeiture	500.00	1,138.72	2,217.59
Lease amount amortised over years by Land lease deposit forfeited		28.87	28.87
<b>Closing Balance</b>	<b>500.00</b>	<b>1109.85</b>	<b>2188.72</b>
Less Surrendered to SIPCOT year 2021-22	210.00		1050.00
Less Surrendered to SIPCOT year 2022-23	90.13	450.65	
<b>Closing balance as of reporting period</b>	<b>199.87</b>	<b>659.20</b>	<b>1138.72</b>

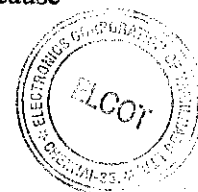
**Note No : 34 Grants in Aid**

(Rs in lakhs)

Particulars	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
From Government of Tamilnadu for Technological Development centre for Electronics as per balance sheet	0.34	0.41
Less Depreciation for the year on Fixed Assets funded out of the Grant(contra against Other Income)	0.34	0.07
<b>NET</b>	<b>0.00</b>	<b>0.34</b>

**Note No 35: Contingent Liabilities**

- Claims against the Company not acknowledged as debt - Rs.925.31 Lakhs (Rupees Nine Crores Twenty-Five Lakhs Thirty-One Thousand Four Hundred and Eighty-Two only) claimed by DOT under arbitration award during 2000-01 due to delay in deliveries during the financial years 1990-1992. ELCOT has gone on appeal and obtained stay orders from the Hon'ble High Court of Madras.
- The Commissioner of Service Tax (by way of Show cause notices) has claimed service taxes amounting to Rs.1540.36 Lakhs for the services rendered by the Company in supplying laminated computerized Driving License Cards and Family Cards to the Government. Reply to the show-cause



notice sent on 13.02.2018. Thereafter, the Company has not received any summons or communication in this regard. The case is still pending before the authorities.

- c) The Arbitral Tribunal in the matter of Arbitration between ELCOT and ICMC Corporation Ltd, directs ELCOT to pay Rs. 2249.07 Lakhs towards interest on delayed payments. ELCOT has gone on appeal and obtained stay orders from the Hon'ble High Court of Madras.
- d) The Arbitral Tribunal in the matter of Arbitration between ELCOT and United Telecom Limited, directs ELCOT to pay Rs.1728.87 Lakhs towards Interest on delayed payments. ELCOT has gone on appeal and obtained stay orders from the Hon'ble High Court of Madras.

**Note No 36: Income Taxes and deferred tax liability.**

**(A) Status of Income Tax Assessments**

(Rs. in Lakhs)

Assessment Year	Amount of Refund as per Returns	Tax implications as per IT Department	Forum where dispute / Assessment is pending
2001-02	--	30.89	Appellate Tribunal
2002-03	52.88	--	Appellate Tribunal
2003-04	64.62	49.00	Appellate Tribunal
2004-05	37.41	70.37	CIT Appeal
2006-07	--	119.87	Appellate Tribunal
2007-08	203.89	--	Appellate Tribunal
2008-09	164.02	11.63	Appellate Tribunal
2010-11	76.93	166.20	Appellate Tribunal
2011-12	172.25	--	Appellate Tribunal
2012-13	219.67	--	Appellate Tribunal
2013-14	44.71	168.37	Appellate Tribunal
2014-15	119.39	3.93	Appellate Tribunal
2015-16	9.58	127.73	Appellate Tribunal
2017-18	476.29		CIT Appeal
2018-19	202,16		CIT Appeal
2019-20	272.41		CIT Appeal
2020-21	415.86		CIT Appeal
2022-23	629.40		Assessing Officer



**(B) Deferred tax workings in line with Ind AS**

Deferred Tax workings are calculated in accordance with applicable Ind AS.

Workings for the year 2022-2023

(Rs. in Lakhs)

Particulars	Amount
WDV as per Income Tax	43,856.36
WDV as per Books of Accounts	48,804.81
Taxable Temporary Difference in WDV of Assets	4,948.45
Add : 43(B) Liability earlier disallowed paid in previous year	
Provision for Bonus	0.84
Taxable Temporary Difference (1)	<b>4,949.29</b>
Disallowance u/s 43(B)	
Provision for Gratuity	13.78
Provision for Bonus	0.84
Provision for Leave Salary	6.22
Labour Welfare Cess Payable	35.27
Disallowance u/s 40 - Auditor's fee	0.90
Deductible Temporary Difference (2)	<b>57.00</b>
<b>Taxable Temporary Difference - Net (1 &amp; 2)</b>	<b>4,892.29</b>
Deferred Tax Rate	29.12%
Deferred Tax Liability as on 31.03.2023	<b>1,424.64</b>
Deferred Tax Liability as on 31.03.2022	1,168.30
<b>Provision for the Year 2022-23 (DTL)</b>	<b>256.34</b>

**Note No 37: Related Party Disclosures**

**Related parties and their relationship where control exists**

Associate companies:

- Elnet Technologies Ltd.
- Tidel Park Coimbatore Ltd.

**Key Management personnel:**

- Shri Ajay Yadav, Managing Director
- Shri Srivatsa Desikan, Company Secretary

**Transactions with related parties (Rs.in lakhs)**

**Remuneration to key management personnel:**

- Shri Ajay Yadav, I.A.S., MD: Rs. 15.17 lakhs [Previous year: Rs. 15.02lakhs]
- Shri Srivathsa Desikan: Rs. 11.61 lakhs [Previous year: Rs. 10.56lakhs]

**Dividend received from Associate & JV Companies:**

- Elnet Technologies Ltd.: Rs. 20.80 lakhs [Previous year: Rs. 14.56 lakhs]
- AGT Electronics: Rs. 6.40lakhs [Previous year: Rs. 5.40 lakhs]
- Iykot Hi-tech Tool Room Ltd. :Rs. Nil [Previous year: Rs. 5.93 lakhs]
- Tidel Park Ltd : Rs. 52.00 lakhs [Previous year: Rs. 52.00 lakhs]
- Kody Elcot Ltd : Rs. 1.74 lakhs [Previous year: Rs. Nil]

**Balances with related parties**

Associate Companies as Investments:



- Elnet Technologies Ltd.: Rs. 104.00 lakhs [Previous year: Rs. 104.00 lakhs]
- Tidel Park Coimbatore Ltd : Rs. 7519.63 lakhs Previous year: Rs. 7519.63 lakhs]
- 

**Note No. 38 – Corporate Social Responsibility**

**(Rs. in Lakhs)**

CSR Expenditure	2022-23	2021-22
a) Gross amount required to be spent during the year	59.41	86.55
b) opening unspent balances of previous years c/f	0.00	86.36
b) Amount approved by the Board to be spent during the year	66.00	172.91
c) Amount spent during the year on	66.00	172.91
d) Short fall at the end of the year	-	-
e) Total of Previous year short fall	-	-
f) Reason for short fall	-	-
g) Nature of CSR activities	Sports activities	Sports & Disaster Relief Activities
h) Details of related party transaction	-	-
i) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year	-	-

S No		Paid	Yet to be paid	Total
i)	Construction / Acquisition of any asset			
ii)	On purposes other than (i) above	66.00	-	66.00

**Corporate Social Responsibility (CSR) movement given as under: (Rs. in Lakhs)**

Particulars	Net Profit before Tax	
	For 2022-23	For 2021-22
Years		
2018-19		7,008.53
2019-20	2,327.51	2,327.51
2020-21	3,646.96	3,646.96
2021-22	2,936.48	
<b>Average Net profit before Tax (A)</b>	<b>2,970.31</b>	<b>4,327.67</b>
<b>CSR Payable for the year ((A)*2%)</b>	<b>59.41</b>	<b>86.55</b>
Add: Opening CSR Liability		86.36
Less: CSR spent during the year	(66.00)	(172.91)
CSR Excess spent	(6.59)	(0.00)
<b>Balance to be c/f for set off against future CSR Liability</b>	<b>6.59</b>	<b>-</b>

**Note No. 39 – Government Grants**

Government Grants earlier classified under Reserves & Surplus and reclassified as non-current financial liability since the purpose is defined and any unspent beyond the period of validity to be returned/transferred to other projects.

Provision for Interest due on unspent grants of Rs 332.92 lacs (previous year Rs 90.36 lacs) is created and grouped under Other Current Liabilities which is payable to the Government.





The Company has received various grants from the Government for implementation of schemes as per the orders and the details of government grant movement for the year given in the schedule as under:

(Rs.in Lakhs)

PARTICULARS	Opening Balance	Debit as per order	Credit as per order	Status	Spent	Returned	Transfer - Dr	Recd-Cr	Transfer-Cr	Closing Balance	Interest
Connect Kanyakumari	5.90	5.00	-	Completed	5.00	-	-	-	-	0.90	0.21
G.O.(2D)No.1/IT(D1)Dept./19.02.2021 TNSDC PI TermII-Grants	0.00	-	-	Present	-	-	-	-	76.42	76.42	15.01
G.O.(2D)No.2 IT(B4) Dept. dt.14.02.20-Grants	0.00	-	-	Present	-	-	-	-	41.66	41.66	3.50
G.O (2D) No.3 IT(D1) Dept dt.17.05.2022	0.00	-	56.97	Present	-	-	31.85	0.00	-	25.13	2.33
G.O (2D) No.40/18.10.13/Disaster recovery Consultan	50.25	0.30	-	Completed	0.30	-	49.95	-	-	0.00	0.00
G.O.(D)NO.13/IT(B4)Dept.Redundant 5.3.19	497.90	56.42	-	Present	56.42	-	-	-	-	441.48	35.43
G.O.(D)No.16 IT(B4) Dept. dt.26.03.19-Grants	0.00	-	-	Present	-	-	-	-	37.26	37.26	2.61
G.O.(D).No.21 dated.07.05.19-Grants	0.00	-	-	Completed	-	-	-	-	236.76	236.76	16.57
G.O.(D) No.21 IT(E2) Dept dt 8.07.2022 TNS PH II	0.00	1,615.50	2,513.70	Present	0.02	-	-	0.03	-	898.20	123.56
G.O.(D).No.25/28.05.2019 Cyber security Architec TN	826.68	242.28	-	Present	0.00	-	-	-	-	584.40	46.89
G.O.D.No.29, IT Dept.(B4)29.10.2013/server Farm/TNS	22.05	4.25	-	Completed	0.00	-	17.80	-	-	0.00	-
G.O.(D) NO.30 IT(E2) Dept dt. 7.11.21 Secnet Lan	0.00	993.38	1,100.00	Present	0.01	-	-	0.01	-	106.62	16.22
G.O.(D) NO.3/19.02.2015(NLDRC)	128.78	8.15	-	Present	8.15	-	-	-	-	120.63	9.68
G.O (D) No.34/29.11.13(Redundant connectivity TNSWA	42.34	-	-	Completed	-	-	42.34	-	-	0.00	-
G.O.(D)No.34 IT(D1) Dept dt.02.12.2022 TNDRC	0.00	-	301.36	Present	-	-	54.77	0.00	-	246.59	1.76
G.O.(D)No.34 IT (E2)Dept. dt.2.12.2021	0.00	0.34	36.20	Present	0.34	-	-	36.20	-	35.86	2.88
G.O.(D)No.3 IT (B4) Dept. dt.03.01.2020-Grants	0.00	-	-	Present	-	-	-	-	250.15	250.15	21.79
G.O.(D).No.43 Dt dt.11.2019 Enhancement of Cloud Infrants	0.00	-	-	Present	-	-	-	-	382.76	382.76	31.61
G.O.(D)NO.4/IT Dept. (E2)1Gpbs KN	0.00	-	35.89	Present	-	-	-	35.89	-	35.89	2.88
G.O.(D).No.8 IT (B3) Deptdt 10.02.2019 3th Conv India	0.00	3.62	-	Discontinued	-	3.62	-	-	3.62	0.00	-
G.O(D).No.9 IT (B3) Dept Dt10.2.2019 1st Mfg Smtt	0.00	5.00	-	Discontinued	-	5.00	-	-	5.00	0.00	-
G.O.Ms.No.15dt.08.10.2014 BPO(Rural Business Proc)	187.68	171.56	-	Completed	-	0.00	16.12	-	-	0.00	-
G.O.No.9 IT Dept,dt.28.2.2011(VC-Assembly)	10.59	-	-	Completed	-	-	10.59	-	-	0.00	-
Grant Due for TNSDC II (GO(D) 9 dt.7.2.23	0.00	207.17	-	Present	207.17	-	-	-	-	(207.17)	-
Grant for UMAGINE	0.00	625.00	625.00	Completed	0.01	-	519.89	625.00	519.89	0.00	-
ACTACT 46th Edition Bridge 2022	10.00	10.00	-	Completed	0.00	-	-	0.00	-	0.00	-
Open Government Data	25.05	18.89	-	Completed	0.00	-	6.17	16.83	-	16.83	-
adhaar PEC	15.00	3.47	0.00	0.00	0.00	0.00	0.00	0.00	176.62	188.15	0.00
<b>Total</b>										<b>3,518.40</b>	<b>332.92</b>



**Note No. 40: SEZ expenses Recoverable:**

Expenditure incurred towards development of infra at SEZ are recovered at actuals on pro rata basis from the allotted companies/ to be allotted at time of future allotment or agreements executed with the companies from time to time. The project wise details are given under:

(Rs.in Lakhs)

Particulars	Coimbatore	Hosur	Madurai-Ilandkulam	Madurai-Vadaplanji	Salem-Jaggi	Sholingnalur	Tirunelveli	Trichy	Total
<b>Opening Recoverable</b>	556.98	585.42	195.21	882.82	204.56	2,521.17	816.22	1,070.25	6,832.63
Capital Exps- Walkway	-	-	-	-	-	570.76	-	-	570.76
Capital Exps- sumps etc	-	-	-	-	-	426.02	-	-	426.02
Capital Exps- External strret light	-	-	-	-	-	198.20	-	-	198.20
Capital Exps- IT tower	-	-	-	-	-	374.58	-	-	374.58
Capital Exps- EB stretching work	-	-	-	-	-	97.14	-	-	97.14
Capital Exps-approach road	-	-	24.11	-	-	-	-	-	24.11
TWAD Board-Installation chgs	-	-	-	28.50	-	-	-	-	28.50
Cost Recovery Chgs Paid-MPEZ	9.24	0.92	9.98	1.11	0.92	6.47	11.08	16.69	56.41
Cost Recovery Chgs Paid-MPEZ	16.69	1.67	5.48	10.53	10.53	11.19	1.67	-	57.76
Cost Recovery Chgs Paid-MPEZ	22.84	2.28	14.92	2.28	2.28	19.99	8.20	22.84	95.63
Cost Recovery Chgs Paid-MPEZ	10.35	1.15	10.35	1.15	10.35	8.05	2.30	11.50	55.20
Infra Cost from SIPCOT	-	-	-	-	-	-	(76.08)	-	(76.08)
Recovered-WIPRO after allotment	(45.31)	-	-	-	-	(112.91)	-	-	(158.22)
Transfer to Revenue expenditure as Sez expenses	-	-	(1.54)	(1.01)	-	(41.19)	-	-	(43.75)
<b>TOTAL</b>	<b>570.79</b>	<b>591.45</b>	<b>258.51</b>	<b>925.38</b>	<b>228.64</b>	<b>4,079.45</b>	<b>763.40</b>	<b>1,121.28</b>	<b>8,538.89</b>

**Note No. 41 – Tidel Park Dividend write-back:**

Dividend due from M/s Tidel Park Chennai for earlier years has not been received which was shown as Receivable from Tidel Park. During the discussion with Tidel Park, it is noticed that dividend due to Elcot has been adjusted against Start-up warehouse project amount due from Elcot to Tidel Park. In view of above, the adjustment entry has been made in FY 2022-23 by setting off the receivables from Tidel Park against Grant receivable from Government for Start-up warehouse projects.



## Note No. 42- Land Lease Deposits

Details of Land lease deposits given as under:

For the year ending 31<sup>st</sup> March 2023

(Rs. in Lakhs)

Particulars	Forfeitable	Non-Forfeitable/returnable	Total as on 31.03.2023
Non Current	20,010.10	27,134.07	47,144.17
Current	2,300.89		2,300.89
<b>Total</b>	<b>22,310.99</b>	<b>27,134.07</b>	<b>49,445.06</b>

For the year ending 31<sup>st</sup> March 2022

(Rs. in Lakhs)

Particulars	Forfeitable	Non-Forfeitable/returnable	Total as on 31.03.2022
Non Current	20257.29	26996.83	47254.12
Current	2297.17		2297.17
<b>Total</b>	<b>22554.45</b>	<b>26996.83</b>	<b>49551.29</b>

Land lease deposits received for allotments made upto the year 2010-11 are in the nature of returnable deposits classified under Non-Current Liabilities.

Based on the opinion of Institute of Chartered Accountants India, allotments made under non refundable lease deposits liable for forfeiture and the amount forfeitable in the next twelve months of RS 2300.89 lakhs (previous year Rs 2297.17 lakhs) classified under current liabilities.

Land Lease Deposit paid to M/s. SIPCOT for Tirunelveli Gangaikondan SEZ has also been amortized proportionately.

## Note No: 43 - Bad debts written off:

Since Trade Receivables of Rs.38.09 Lakhs outstanding in the earlier years not recoverable, written off in the books under other expenses after Board approval.

## Note No: 44 - Earning per share

The basic earnings per share ("EPS") is computed by dividing the net profit after tax for the year available for the equity shareholders by the weighted average number of equity shares outstanding during the year.

Amount Rs in Lakhs

S.No.		2022-2023	2021-2022
A	Total comprehensive income for the year comprising Profit / (Loss) and other Comprehensive Income for the period	1421.17	1798.58
B	Shares outstanding (No.)	259305	259305
C	Basic and diluted Earnings per share (A / B) (Face value - ` 1000 per share)	548.07	693.61



**Note No. 45****DISCLOSURE UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006**

On the basis of the information and records available with the Company, the Company had not paid any interest during the year to any parties who are classified as Micro, Small and Medium Enterprises on account of default in payment of their dues. Also there are no amounts outstanding as on 31.03.2023 in excess of Rs. 1,00,000/- to any party classified as Micro, Small and Medium Enterprises.

1. The principal amount and interest due thereon remaining Unpaid to any supplier as at the end of each accounting year.	Nil	Nil
2. The amount of interest paid by the buyer in terms of Section 16 Of the Act along with the amount of the payment made to The supplier beyond the appointed day during each accounting year	Nil	Nil
3. The amount of interest due and payable for the period of delay In making payment (which have been paid but beyond the Appointed day during the year) but without adding the interest Specified under the Act	Nil	Nil
4. The amount of interest accrued and remaining unpaid at The end of each accounting year.	Nil	Nil
5. The amount of further interest remaining due and payable Even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSME Development Act, 2006.	Nil	Nil

**Note No. : 46 KEY FINANCIAL RATIOS**

S.No	Particulars	As at 31-03-2023	As at 31-03-2022	Variance (%)
1	Current ratio (Current Assets/Current Liabilities)	0.21	0.38	(44%)
2	Debt-Equity ratio	4.27	3.86	11%
3	Return on Equity (PAT/ Average Shareholders fund)	0.04	0.07	(36%)
4	Debtors turnover ratio (Annual turnover/Average Debtors)	14.73	7.89	87%
5	Trade payables turnover ratio (Purchases/Average trade payables)	1.41	2.40	(41%)
6	Net capital turnover ratio (Sales/(Current Asset-Current Liabilities))	(0.17)	(0.26)	(34%)
7	Net profit ratio (PAT/ Sales)	0.12	0.19	(35%)
8	Return on capital employed (EBIT/(Total Assets-Current Liabilities))	0.07	0.07	(1%)
9	Return on investment (EBIT/Total Assets)	0.03	0.04	(9%)
10	Debt Service Coverage Ratio	NA	NA	
11	Inventory Turnover Ratio	NA	NA	



**Note No. : 47 – Ageing Schedule**

Aging schedules of EMD, Security deposit and outstanding expenses though outstanding over 1 year since the same payable on demand have classified under other current liability

**Ageing Schedule of EMD Payable**

<b>Particulars</b>	<b>Amount (Rs. in lakhs)</b>
Less than 1 year	120.72
1 - 2 Years	135.79
2 - 3 Years	44.95
More than 3 Years	463.79
<b>Total</b>	<b>765.25</b>

**Ageing Schedule of Security Deposits Payable**

<b>Particulars</b>	<b>Amount (Rs. in lakhs)</b>
Less than 1 year	124.82
1 - 2 Years	50.48
2 - 3 Years	38.35
More than 3 Years	483.35
<b>Total</b>	<b>697.00</b>

**Ageing Schedule of Outstanding Expenses**

<b>Particulars</b>	<b>Amount (Rs. in Lakhs)</b>
Less than 1 year	818.77
1-2 years	53.30
2-3 years	1.03
More than 3 years	4.71
<b>Total</b>	<b>877.81</b>

**Note No. : 48 – Other Disclosures**

- (a) Confirmation letter for the balances of the Sundry Debtors, Sundry Creditors, various Loans and Advances, Deposits etc. as on 31.03.2023 have not been obtained and the balances lying in these accounts are subject to reconciliation.
- (b) Vide Tamil Nadu Government's G.O. [D] No. 40, dated 20-11-2006 issued with the concurrence of the Finance Department vide its U. O. No. 71632/Ind./06, dated 17-11-2006, Rs. 3207.89 Lakhs has been provided towards interest on unutilized procurement advances received from various Government Departments and Corporates, in the financials for the reporting year.



(c) For computing rate of interest on unutilized grants and unutilized procurement advances, an average rate of 7% is worked out based on the interest received on such deposits held with banks and financial institutions during the year.

(d) Micro, Small and Medium Enterprises:

The amount due to Micro and Small Enterprises as defined in The Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") has been determined to the extent such parties have been identified on the basis of information available with the Company. There are no such balances due during the reporting year.

(e) Previous Year figures have been regrouped wherever necessary including those as required in keeping with revised Ind AS Schedule III Amendments.

(f) Figures in Balance sheet, Statement of Profit & Loss, Cash Flow Statements and the Schedules attached thereto have been rounded off to the nearest lakhs of rupees with decimals.

(g) Advances received from Government departments / organizations towards procurement of IT / ITES Products are adjusted at the time of supply or while refunding the advances as required by departments concerned. Some of the advances appears more than a year are payable on demand by the departments concerned or adjusted against supplies made as the supplies are spread over more than a year and disclosed under other current liabilities.

(h) (i) The company has not granted any loans or advances in the nature of loans to promoters.  
(ii) Directors, KMPs and the related parties (As per Companies Act 2013), which are repayable on demand or without specifying any terms or period of repayments.

(iii) No proceedings have been initiated or pending against the company for holding any Benami property under Benami Transactions (Prohibition) Act, 1988(45 of 1988) and the rules made thereunder.

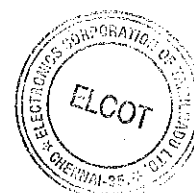
(iv) The company does not have any sanctioned facilities from banks on the basis of security of current assets.

(v) The company has adhered to debt repayment and interest service obligations on time. Wilful defaulter related disclosures required as per Additional Regulatory information of Schedule III(revised) to the Companies Act, 2013 is not applicable.

(vi) There are no transactions with the companies whose names are struck off under section 248 of the Companies Act 2013 or section 560 of the Companies Act, 1956 during the year ended March 31, 2023.

(vii) The Company does not have any requirement for filing registration or satisfaction of charges with the Registrar of Companies. No registration or satisfaction is pending at the year ended March 31, 2023.

(viii) The Company has investment in only associates and joint ventures and hence reporting on compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies(Restriction of number of Layers) Rules 2017 is not applicable.



(ix) No scheme of arrangement has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act 2013.

(x) The company has not advanced or loaned or invested funds to any other person(s) of entity(ies), including foreign entities(intermediaries)with the understanding that the intermediaries shall:(a) Directly or indirectly lend or invest in other persons or entities in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) Provide any guarantee, security or the like to or on behalf of the Ultimate beneficiary. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall: Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

Provided any guarantee, security, or the like on behalf of the Ultimate beneficiaries.

(xi) The company has not operated in any crypto currency or virtual currency transactions.

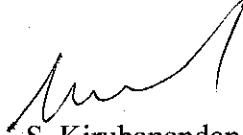
(xii) During the year the company has not disclosed or surrendered, any income other than the income recognized in the books of accounts in the tax assessments under Income Tax Act, 1961.

Notes 2 to 48 forming part of accounts and form an integral part of the financial statements.

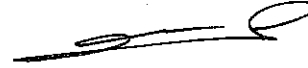
For and on behalf of the Board



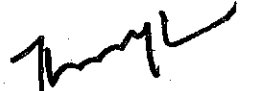
CS N. Srivathsa Desikan  
Company Secretary  
F11879



S. Kirubanandan  
General Manager [F&A]



Dr. S. Aneesh Sekhar  
Managing Director  
DIN : 07887010



J. Kumaragurubaran  
Chairman  
DIN : 06702233

Vide our Report of even date  
For M Srinivasan & Associates  
Chartered Accountants  
Firm Registration No.: 004050S



M. Srinivasan  
Partner  
Membership No.: 022959  
Date:  
Chennai

