

ELCOT

Adding Value Through IT

THIRTY NINTH ANNUAL REPORT 2015-16

ELECTRONICS CORPORATION OF
TAMIL NADU LIMITED,
692, ANNA SALAI,
MHU COMPLEX, II ND FLOOR,
NANDANAM,
CHENNAI 600 035

ELECTRONICS CORPORATION OF TAMIL NADU LIMITED
(A Government of Tamil Nadu Undertaking)

MHU COMPLEX, II FLOOR, 692 ANNA SALAI, NANDANAM, CHENNAI – 600 035.

GENERAL INFORMATION

BOARD OF DIRECTORS

1. Thiru T.K.Ramachandran, I.A.S.,	Chairman
2. Thiru Vikram Kapur, I.A.S.,	Director
3. Dr. P. Senthilkumar, I.A.S.,	Director
4. Tmt. R. Vasuki, I.A.S.,	Director
5. Thiru M.S. Shanmugam, I.A.S.,	Director
6. Thiru J. Kumaragurubaran, I.A.S.,	Director
7. Dr. Rajendra Kumar, I.A.S.,	Managing Director

GENERAL MANAGER (F&A)

Thiru R. Parthiban

COMPANY SECRETARY

Thiru K. Padmanaban

AUDITORS

Raghu & Murali

Chartered Accountants
Old No. 59/1, New No. 14,
Dr. Ranga Road,
Alwarpet,
Chennai – 600 018

BANKERS

INDIAN BANK,

Nandanam Branch,
Chennai 600 035.

ALLAHABAD BANK,

T.Nagar Branch,
Chennai 600 017

STATE BANK OF INDIA,

Saidapet Branch,
Chennai – 600 035.

CANARA BANK,

Saidapet Branch,
Chennai 600 015.

INDIAN OVERSEAS BANK,

West CIT Nagar Branch,
Chennai – 600 035

ELECTRONICS CORPORATION OF TAMIL NADU LIMITED

DIRECTORS' REPORT TO SHAREHOLDERS

Your Directors are pleased to present the Thirty ninth Annual Report of the Company for the year ended 31st March 2016 - the Thirty sixth year of its operations.

I. FINANCIAL HIGHLIGHTS

The Statement below compares the progress in the year under review with last year's performance.

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
	(Rs. in Lakhs)	
Gross Profit before Interest / Depreciation including adjustments.	9163.18	4168.54
Interest and Other Finance charges	1034.55	1134.51
Cash Profit	8128.63	3034.03
Depreciation	552.27	409.92
Profit for the Financial Year	7576.36	2624.11
Bad Debts written off	52.38	1.06
Net Profit for the Financial Year	7523.98	2623.05
ADD: Profit for the earlier year	4869.90	4208.54
LESS: Depreciation Adjustment	---	349.85
Total Funds available for Appropriation	12393.88	6481.74
Provision for Taxation	1561.43	676.21
Provision for Deferred Tax	55.06	25.51
Provision of Dividend	1772.24	777.92
Provision of Tax on Dividend	360.79	132.20
Balance Carry Forward	8644.36	4869.90
Earnings per share (Basic and diluted)	0.022	0.007

II. DIVIDEND:

The Directors have proposed to declare 30% Dividend of Rs.1772.24 lakh on the net profit after tax. The Dividend, if approved and declared in the forthcoming AGM would result a Dividend outflow of Rs. 1772.24 lakhs and

Distribution of Dividend Tax of Rs. 360.79 lakhs aggregating outflow of Rs. 2133.03 lakhs.

The Net balance Profit of Rs.8644.36 lakhs is transferred as "Transfer from P&L A/c to Reserves and Surplus" in the Balance Sheet.

III. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTORS DUE AND PROTECTION FUND:

Since there was no unpaid/unclaimed Dividend declared and paid last year the provision of Section 125 of the Companies Act 2013 do not apply.

IV. THE MAIN ACTIVITIES OF THE CORPORATION ARE AS FOLLOWS:

1. IT PARKS PROMOTION IN TIER II CITIES

As per the policy directive of Government of Tamil Nadu, ELCOT is promoting Information Technology SEZ in Tier I and Tier II Cities. Such as Madurai, Trichy, Hosur, Salem, Coimbatore, and Thirunelveli..

As per the orders of the Government of Tamil Nadu lands have been identified for the above IT Parks and the SEZ approval was obtained from the Government of India.

Architects were engaged for the creation of common infrastructure works was completed in all SEZs and construction of 50,000 sq.ft. IT-cum-Administrative building was completed at Trichy, Madurai and Tirunelveli SEZ's.

In Hosur and Salem IT SEZ construction of 50,000 sq.ft cum Administrative Building is in progress.

2. STUDENT FREE LAPTOP SCHEME

Government of Tamil Nadu has entrusted the work of procurement of Laptops for free distribution to cover the entire plus two students in Government and Government Aided Schools and students in Government and Government Aided Arts and Science, Polytechnic and Engineering Colleges in a phased manner. In the year 2011-12, so far 8,98,866 Nos. of Laptops have been number of laptop have been procured and supplied. For the year 2012-13, so far 730,000 Nos. of Laptop computers have been procured and supplied.

For the year 2013-2014, so far 5,64,997 Nos. of Laptop computers have been procured and supplied. For the year 2014-15 and 2015-16, orders were issued for procurement of 10,50,000 Nos. of Laptop computers have been procured and supplied and so far 998721 Nos. of Laptop computers have been procured and supplied.

3. E-GOVERNANCE INITIATIVES OF ELCOT

ELCOT is involved in development of e-Governance applications and software support for the following departments:

1. Reginet (Registration Department)
2. Employment and Training Department
3. Labour Welfare Department
4. Family Card Project (Civil Supplies Department)
5. Commercial Taxes Department
6. Corporation of Chennai

4. Tamil Nadu State Data Centre (TNSDC) :

Tamil Nadu State Data Centre (TNSDC) is one of the core e-Governance back bone infrastructure under National e-Governance Plan (NeGP). It is a shared scheme between State and Central Governments as per the State Data Centre(SDC) Guidelines of Department of Information Technology (DeitY), Government of India (GOI), at an estimated cost of Rs.60.80 crores (GOI share Rs.55.80 crores & State Share Rs.5.00 crores) and is in operational from 01.08.2011. Tamil Nadu is the first State in the country to obtain the ISO Certification for the Data Centre operations and Management of Information Security which is an important milestone in the operation of TNSDC. TNSDC has now obtained upgraded ISO certifications ISO/IEC 20000-1:2011 and ISO/IEC 27001:2013.

TNSDC is housed at ELCOT, Perungudi Complex and is being maintained with a strict Service Level Agreement (SLA) for ensuring 24 X 7 operation. TNSDC is a highly secured infrastructure in which the Government departments can host their applications. The TNSDC was initially set up with 40 racks and now expanded with 21 more racks and the Operations and Management is managed

by Data Centre Operator (M/s. Wipro). The TNSDC is in the consecutive 5th successful year of operation.

61 applications of 25 Government Departments are Live from the TNSDC. Some of the Government applications which are operational in TNSDC are as follows :

HMS & HMIS of Tamil Nadu Health Systems Project

e-Governance and e-District applications of SSDG

Crime and Criminal Tracking Network Systems (CCTNS)

e-Payment System of IGR

ERP of Chennai Corporation

Document Management system of Chennai Metro Rail Project

College Management System of Dr. MGR Medical University

Enterprise Resource Planning (ERP) for Priceless Fan, Mixie, Grinder and Priceless Laptop Scheme etc.

The TNSDC serving the hosting requirements of various Government Departments has currently reached 100% of its maximum capacity in terms of space. Hence, the TNSDC PH II in a new building at Perungudi is being implemented at a approved project outlay of Rs.40 Cr. Construction of building is in progress.

Server Farm :

In order to provide common test bed facility like Load balancer, Antivirus, Firewall etc., to the departments while hosting applications at TNSDC, a 'Server Farm' has been created at TNSDC with necessary hardware, software and testing tools. This will allow the departments to comply with Vulnerability Assessment and Penetration Tests before hosting applications at TNSDC.

Disaster Recovery Centre (DRC) & Nearline DRC (NLDR) :

DRC-TRICHY

The Tamil Nadu State Data Centre (TNSDC) enables the State Government and the Departments to host their applications and services on a common, redundant, secured and controlled environment, easing the process of integration and resource optimization. However risk pertaining to natural disaster

such as Tsunami, earthquakes, floods etc, pose a herculean challenge to any Data Centre and hence to ensure the business continuity of the departments which are providing e-services and to have a mirror image of data Disaster Recovery Centre has been planned.. ELCOT has been nominated as the implementing agency for setting up of Disaster Recovery Centre (DRC) in a phased manner.

Disaster Recovery Centre Operator (M/s. Sify Technologies) for Supply, installation, Configuration, Testing, Operations and Management of Disaster Recovery Centre (DRC) at ELCOSEZ, Trichy was selected through Open Tender process and work is in progress.

DR - PUNE

Under National Disaster Recovery Scheme, the TNSDC is mapped with National Data Centre (NDC)-Pune. Through NKN Connectivity NDC-Pune was enabled as DR Centre. DR at NDC – Pune is operational from June 2015 and DR facilities of CCTNS , SHDRC have been implemented at NDC – Pune.

NLDR

To address the synchronous replication requirements, for providing Nearline Disaster Recovery Solutions, ELCOT has entered into a Memorandum of Understanding (MoU) with BSNL Data Centre at Harbour . NLDR common IT infrastructure has been created by ELCOT at BSNL DC. The requirements of the departments are being addressed on case to case basis on receipt of demands from the departments.

Cloud Computing at TNSDC :

For better and optimal utilization of the computer infrastructure at TNSDC and utilizing the same infrastructure amongst multiple applications, Cloud Technology has been adopted TNSDC. This technology will also drive consolidation of IT resources resulting in power savings.

To start up, a small scale Cloud set up was established in co-ordination with C-DAC with the infrastructure of TNSDC. The Saree Dhoti application was deployed successfully in Cloud at TNSDC and public access is enabled for

this application. ELCOT Enterprise Resource Planning – Facility Management Service (ERP - FMS) etc. were hosted in this Cloud. As on date 12 applications are deployed in this Cloud.

In order to have a full fledged Cloud Set up, a system Integrator was identified through an Open Tender and Delivery, Commissioning and installation of full fledged Cloud set up has been completed.

e-Mail Solutions :

The provisioning of e-Mail Services is an essential component of e-enabling of Government functioning. The existing email services is extended to 3100 users namely officers and departments within Secretariat, Officials in Districts and Taluks of few departments, MLAs and Hon'ble Ministers. In order to provide seamless desktop connectivity, as well as to adhere to the regulations with respect of storage and archival of email as official record of business process, a full fledged e-Mail Solutions has been mooted. The e-mail Solution has been launched through NIC and is in operational.

5 TRAINING INFRASTRUCTURE FACILITY

ELCOT had set up 25 user computer network with necessary UPS and other infrastructure in each District collectorate for providing training to staff of the Government Departments.

6. TAMIL NADU STATE WIDE AREA NETWORK (TNSWAN)

Tamil Nadu State Wide Area Networking project is the core back bone network project to provide integrated data / internet / intranet, voice communication within Government offices right up to block level which will provide secure connectivity to run the e-Governance applications of Government and will improve the service delivery in a more transparent manner to the citizen. The project implemented through ELCOT had currently taken off in all the 708 locations of Tamil Nadu including all the 30 District Collectorates. Infrastructure development in all the 708 locations is completed. The project commenced its boot operation from 1.12.2007.

TNSWAN Phase I was completed on 30.11.2012 and subsequently a new open tender floated for the selection of boot operator for Phase II operation. Accordingly LOA was issued to successful bidder and Phase II operation commenced.

7. PROCUREMENT ACTIVITIES

ELCOT has adopted an innovative procurement policy by encouraging competition among the vendors coupled with an open and transparent procurement process. ELCOT had achieved a price reduction of 20-30% of the market value of the products, thus saving crores of rupees of Government departments.

During the year 2015-16, ELCOT procured IT products for a value of Rs.135.87crores and has projected for a procurement of Rs.150.00 Crores for the year 2016-17

8. PARTICIPATION IN NATIONAL EVENTS:

To promote Tamil Nadu as a preferred Destination of Choice for IT and ITES investments ELCOT has participated in the following major National events:

1. NASSCOM HR summit 2015 held at Chennai during September 2015
2. Cebit India 2015 at Bangalore during 29th to 31st October 2015
3. ELCINA 2015 , Chennai 16th & 17th December 2015
4. NASSCOM India Leadership Forum 2016 held at Mumbai during 10th to 12th February 2016
5. 42nd India Tourist & Industrial Fair 2016 at Chennai during Jan 2016 to March 2016

9. DRIVING LICENCE CARD:

As per the Government approval, the preparation and issue of Laminated Computerised Driving License was entrusted to ELCOT by the Transport Commissioner in all the 138 centres in the State. During the current financial year (2015 – 2016) the billing is Rs.8.74 Crores. We have allotted 138 centres to M/s.Keltron.

V. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENT RELATES ON THE DATE OF THE REPORT:

No material changes and commitments affecting the Financial position of the company occurred between the end of the financial year to which this financial statement relates on the date of the report.

VI. CONSERVATION OF ENGERGY, 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 no foreign exchange earnings and outgo during the year under review.

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 the recommendations of the Corporate Social Responsibility (CSR) Committee recommending the contribution of Rs.28.62 Lakhs by ELCOT for the financial year 2015-16 towards Corporate Social Responsibility (CSR) expenditure to M/s. Tamil Virtual Academy (erstwhile Tamil Virtual University), Anna University Campus, Gandhi Mandapam Road, Kottur, Chennai – 600 025, an Autonomous Institution, established by the Government of Tamil Nadu in the year 2001 with the aim to provide Internet-based resources and opportunities for the Tamil Communities living in different parts of the globe as well as others interested in learning Tamil, Science, Technology, Tamil Computing software and acquiring knowledge of the history, art, literature and culture of the Tamils and to identify, establish, maintain and promote the solutions for the Tamil computing requirements of Tamil Diaspora, Government, Educational, Media and Business Institutions and the Tamil Virtual Academy shall utilise the amount to be released by ELCOT as above for the above purposes and promotion of Education.

IX. PARTICULARS OF LOANS AND GUARANTEES ON THE INVESTMENTS MADE UNDER SECTION 186 OF COMPANY'S ACT 2013:

There were no loans and guarantees on the investments made by the Company under Section 186 of the Company's 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. EXPLANATION OR COMMENTS ON QUALIFICATION, RESERVATION OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS IN THE REPORT:

There was no qualification, reservation or adverse remarks or disclaimers made by the auditors in the report. The provision relating to the submission of Secretarial Audit report is not applicable to the Company.

XII. COMPANY'S POLICY RELATING TO DIRECTOR'S APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES:

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 Director's appointment, payment of remuneration and discharge of their duties and provided under section 178 (3) of the Company's Act 2013.

XIII. 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 is given in Annexure I.

XIV. MEETING OF THE BOARD OF DIRECTORS

During the Financial year ended 31st March 2016, 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.

S.No.	Date of meeting	Board Strength	No. of Directors present ⁴
1	12.05.2015	6	4
2	16.06.2015	6	4
3	21.08.2015	6	5
4	18.12.2015	6	4
5	26.02.2016	6	6
6	31.03.2016	6	6

XV. 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.

XVI. DEPOSITS

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

XVII. CHANGE IN THE BOARD OF DIRECTORS:

Thiru C.V. Sankar, I.A.S., Principal Secretary/ CMD SIPCOT ceased to be Director- ELCOT as per G.O.Rt.No.28, Information Technology Department (Admin.1) Department dated 09.04.2014.

Dr. Rajendra Kumar, I.A.S., appointed as full additional charge of the post of Managing Director, ELCOT vide G.O.Rt.No.3584, Public (Special.A) Department, dated 06.09.2016

Dr. P. Senthilkumar, I.A.S., Secretary to Government (Expenditure), Finance Department appointed as Director- ELCOT Vide G.O.Rt.No.80, Information Technology Department (Admin.1) Department dated 20.09.2016

Tmt. R. Vasuki, I.A.S., Managing Director, SIPCOT appointed as Director – ELCOT Vide G.O.Rt.No.81, Information Technology Department (Admin.1) Department dated 29.09.2016

Thiru M.S. Shanmugam, I.A.S. Executive Vice Chairman, GUIDANCE appointed as Director- ELCOT Vide G.O.Rt.No.82, Information Technology Department (Admin.1) Department dated 29.09.2016

Thiru J. Kumaragurubaran, I.A.S., Director and Chief Executive Officer TNeGA appointed as Director- ELCOT Vide G.O.Rt.No.83, Information Technology Department (Admin.1) Department dated 7.10.2016

Thiru Vikram Kapur, I.A.S., Chairman & Managing Director, TIDCO appointed as Director – ELCOT vide G.O.Rt.No.84, Information Technology Department (Admin.1) Department dated 07.10.2016

XVIII. COMPOSITION OF AUDIT COMMITTEE:

Currently, the following Directors are the members of the Audit Committee of the Board of Directors.

- | | |
|----------------------------------|---|
| 1. Thiru Vikaram Kapur, I.A.S., | - Member
(Chairman and Managing Director, TIDCO) |
| 2. Dr. P. Senthilkumar, I.A.S. | - Member (Director representing Finance Dept.) |
| 3. Tmt. R. Vasuki, I.A.S., | - Member
(Chairman and Managing Director, SIPCOT) |
| 4. Thiru M.S. Shanmugam, I.A.S., | - Member (Director representing Guidance) |

XIX. SHARE CAPITAL:

The paid up capital as on 31st March 2016 Rs.2593.05 lakhs.

HUMAN RESOURCES (HR) RELATIONS:

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

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 Departments of Information Technology, Finance, 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 Internal and Statutory Auditors in the matter of audit.

For and on behalf of the Board of Directors

Chennai-35
Date: 10.2016

T.K. RAMACHANDRAN
CHAIRMAN

APPENDIX – I

Information required under Companies (Disclosure and particulars in the report of the Board of Directors) Rules 1988 for the financial year 2015-2016

A. Conservation of Energy

Not applicable to Electronics Industries

B. Technology Absorption

Specific Areas to which R&D carried out by the Company

I.	Development work	-	Nil
II.	Development work on Hand	-	Nil
III.	Expenditure on R&D		
	a. Capital	-	Nil
	b. Recurring	-	Nil
	c. Total	-	Nil
	d. Total R&D Expenditure as a percentage of total Turnover	-	Nil
	e. Foreign exchange earnings and outgo in 2015-16	-	Nil

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2016
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I	REGISTRATION & OTHER DETAILS :	
i	CIN	U27209TN1977SGC0072911
ii	Registration Date	21.03.1977
iii	Name of the Company	ELECTRONICS CORPORATION OF TAMIL NADU LIMITED
iv	Category/Sub-category of the Company	Electronics & IT
v	Address of the Registered office & contact details	692, Anna Salai, Nandanam, Chennai 600 035.
vi	Whether listed company	NO
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Not applicable
II	PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY	
	All the business activities contributing 10% or more of the total turnover of the company shall be stated	

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Service Activity	72	47.51
2	Driving Licence	72	49.26

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

SI No	Name & Address of the Company	CIN/GLN	HOLDING / SUBSIDIARY / ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Not applicable				

