





EIGHTH ANNUAL REPORT

BOARD OF DIRECTORS

Thiru K. Gnanadesikan, IAS.,
Chairman & Director

Thiru Ramesh Chand Meena, IAS.,
Director & Chief Executive Officer

Thiru R. Ganapathi
Director

AUDITORS

M/s. Suresh and Rajagopalan
Chartered Accountants

REGISTERED OFFICE

Elnet Software City
TS 140, Block No. 2&9
CPT Road, Taramani
Chennai 600 113
Phone- 235 4225/4226
Fax – 235 3955

BANKERS

M/s. Canara Bank
Kasturba Nagar
Adyar
Chennai – 600 020

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NOTICE FOR THE EIGHTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Eighth Annual General Meeting of Elnet Technologies Limited will be held at Hotel Kanchi, 28 C-in-C Road, Egmore, Chennai – 600 105 on 29th September, 1999 (Wednesday) at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt Profit and Loss account of the Company for the year ended 31st March 1999, the Balance Sheet as on that date and the Report of the Directors and Auditors thereon.
2. To appoint Thiru. Ramesh Chand Meena, IAS who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and fix their remuneration

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

“RESOLVED that M/s. Suresh & Rajagopalan, Chartered Accountants, Chennai be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting of the Company on a remuneration of Rs. 45,000/- p.a. (Rupees Forty Five Thousand Only (including tax audit))”

SPECIAL BUSINESS

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

“RESOLVED that Thiru. K. Gnanadesikan, IAS, be and is hereby appointed as Director of the Company whose period of office shall be liable for retirement by rotation”

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

“RESOLVED that Thiru. R. Ganapathi, be and is hereby appointed as an Additional Director of the company whose period of office shall be liable for retirement by rotation”

By order of the Board

Place : Chennai
Date : 27.8.99

K. GNANADESIKAN, IAS
Chairman

Notes

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself. A proxy need not be a member of the Company. Proxies, in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the Annual General Meeting.
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of resolutions set out against Item Nos. 4 to 5 is annexed hereto.
3. The Register of Members and the Share Transfer Books of the company shall remain closed from 24.9.99 to 29.9.99 (both days inclusive).
4. Members are requested to kindly bring with them their copies of this report to the meeting.
5. All correspondence with respect to transfer of shares / change of address may be sent to the registered office of the company.





ANNEXURE TO THE NOTICE

STATEMENT REGARDING ITEM NO. 3

As more than 25% of the paid-up share capital is held by Electronics Corporation of Tamil Nadu Ltd., a Government of Tamilnadu undertaking, the auditors of the company have to be appointed by a Special Resolution as per the provisions of the Companies Act, 1956.

None of the Directors are interested in this resolution.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 4

Thiru. M. Madhavan Nambiar, IAS who was the Director of the Company had vacated his office as confirmed by ELCOT in their letter dated 19.02.99. By the said letter, Thiru. K. Gnanadesikan, IAS has been proposed as a Director of the Company. Appointment of Thiru. K. Gnanadesikan, IAS as a Director was approved by the Board at its Board meeting held on 13.4.99 wherein it was resolved that Thiru. K. Gnanadesikan, IAS would be appointed as a Director in the casual vacancy caused by the relinquishment of office of Director by Thiru. M. Madhavan Nambiar, IAS to hold office until such time Thiru. M. Madhavan Nambiar, IAS would have held office. Accordingly, Thiru. K. Gnanadesikan, IAS holds office till the date of the Eighth Annual General Meeting as per provision Sec. 262 of the Companies Act, 1956 and being eligible offers himself for reappointment. Notice has been received from a member together with a fee of Rs. 500/- proposing the candidature of Thiru. K. Gnanadesikan, IAS for appointment as Director of the Company. Members may kindly approve the resolution proposing Thiru. K. Gnanadesikan, IAS as Director of the Company whose period of office shall be liable for retirement by rotation. Directors recommend the passing of this resolution.

Thiru. K. Gnanadesikan, IAS is interested in the resolution.

Item No. 5

Thiru. R. Ganapathi was appointed as an Additional Director by the Board of Directors at their meeting held on 22.1.99. Thiru. R. Ganapathi will hold office upto the date of the Eighth Annual General meeting of the company as per provision Sec. 260 of the Companies Act, 1956. Notice has been received from a member together with a fee of Rs. 500/- proposing the candidature of Thiru. R. Ganapathi for appointment as Director of the Company whose period of office shall be liable for retirement by rotation. Directors recommend the passing of the above resolution.

Thiru. R. Ganapathi is interested in the resolution.

By order of the Board

K. GNANADESIKAN, IAS
Chairman

Place : Chennai

Date : 27.8.99

DIRECTORS' REPORT

To

The Shareholders,

Your Directors have great pleasure in presenting the Eighth Annual Report together with the Audited Accounts of your Company for the financial year ending 31.3.1999.

Members would be happy to note that your Company has had a successful year of operation which has resulted in a net profit of Rs.65,62,221/-. The company is hopeful of wiping out the carry forward loss by the year 1999-2000.

OPERATIONS

As a measure of streamlining the functioning of the company and make it profitable, the Board has decided to drop e-mail project with effect from 15.06.97. As there is a slump in the rental rates, the company has decided to defer the construction of 5th floor as the reduced rental rates will affect the viability of the project. However, the company is making all efforts to maintain the software city to attain international standards.

The financial results of the company are as follows:

Sl. No.	Particulars	Year for the ended 31.03.99 (audited) Rs. in lacs
1.	Income from operations	569.06
2.	Other income	6.30
3.	Total expenditure	237.97
4.	Interest	188.38
5.	Gross Profit (after interest but before depreciation and taxation) (1+2-3-4)	149.01
6.	Depreciation	52.74
7.	Provision for tax	4.73
8.	Net Profit/Loss (5-6-7)	91.54
9.	Preliminary exp. written off	4.52
10.	Preoperative expenses written off	1.26
11.	Prior period adjustment	20.14
12.	Balance carried forward to balance sheet	65.62
13.	Paid up equity share capital	400.00



DUES TO FINANCIAL INSTITUTIONS:

We are glad to inform the members that your company has started repaying the dues to the financial institutions including interest and principal instalments. The terms of the revised reschedulement are being finalised and the effect of the concessions to be received by the company would be quantified during the current year.

DIVIDEND:

On account of accumulated losses suffered by the company your Directors are unable to recommend payment of any dividend.

Y2K COMPLIANCE:

Your company has complied with the requirements of Y2K wherever applicable.

FIXED DEPOSITS:

The company has not invited Fixed Deposits from the public during the year

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

As the company is not an industrial undertaking, particulars with regard to conservation of energy and technology absorption are not applicable.

EARNINGS IN FOREIGN EXCHANGE : Nil

EXPENSES INCURRED IN FOREIGN CURRENCY DURING THE YEAR :Nil

DIRECTORS:

During the period under Report Thiru K. Gnanadesikan, IAS has been co-opted as Chairman and Director to fill the casual vacancy caused by the vacation of office as Chairman and Director by Thiru M. Madhavan Nambiar, IAS

Thiru. Neeraj Mittal, IAS, Director has resigned from the Board of Director's and the same has been accepted by the Board at its meeting held on 27.8.99.

Your Directors wish to place on record their appreciation for the valuable guidance and counsel received from Thiru M. Madhavan Nambiar, IAS and Thiru. Neeraj Mittal, IAS during their tenure.

AUDITORS:

M/s. Suresh and Rajagopalan, Chartered Accountants, Chennai retire at the conclusion of this Annual General Meeting and are eligible for re-appointment. Necessary special resolution is proposed for their appointment pursuant to Section 224(A) of the Companies Act, 1956.

PARTICULARS OF EMPLOYEES:

Statement showing the particulars of employees of the company as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 for the period ended 31st March 1999 is given below.

Sl. No.	Name	Designation	Age	Qualification	Experience	Last Employment	Post held	Date of commencement of employment	Gross Amount Rs.
- NIL -									

ACKNOWLEDGEMENT:

Your Directors wish to express their sincere thanks to the Government of Tamilnadu, Electronics Corporation of Tamilnadu Ltd., ICICI Ltd., Industrial Development Bank of India Ltd., Unit Trust of India and banks for their support and co-operation extended to the company. Your Directors also wish to place on record their appreciation for the good work put in by the employees of the company.

By order of the Board

Place : Chennai
Date : 27.8.99

K. GNANADESIKAN, IAS
Chairman