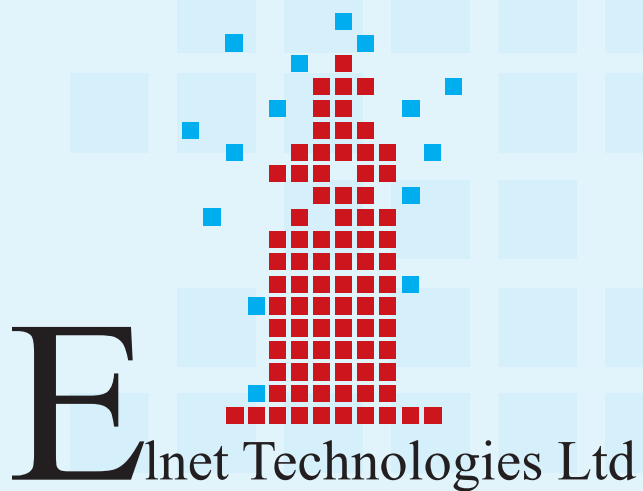


# 21<sup>st</sup> Annual Report



2011 - 2012

BOARD OF DIRECTORS

Thiru Atul Anand, IAS, Chairman  
Tmt. Unnamalai Thiagarajan, Managing Director  
Thiru C. Ramachandran  
Thiru P.S. Kumar  
Thiru J. Ravi  
Thiru R. Ganapathi  
Thiru H. Karthik Seshadri  
Thiru K. Padmanaban  
Thiru S. Paulraj  
Dr. V. Dharmalingam  
Thiru G. Senrayaperumal  
Thiru K. Kasim

STATUTORY AUDITORS

M/s. S.H. Bhandari & Co.  
Bhandari Towers, 824, EVR Periyar Road  
Kilpauk, Chennai – 600 010.

BANKERS

M/s. State Bank of India  
Industrial Finance Branch,  
Chennai – 600 002.

REGISTERED OFFICE

Elnet Software City  
TS 140, Block No. 2&9, Rajiv Gandhi Salai,  
Taramani, Chennai – 600 113  
Phone – 044 - 22541337/1098  
Fax – 044 - 22541955  
E-mail: [elnet@md4.vsnl.net.in](mailto:elnet@md4.vsnl.net.in)

REGISTRARS AND SHARE  
TRANSFER AGENTS

M/s. Cameo Corporate Services Limited  
“Subramanian Building”, Fifth Floor  
No. 1, Club House Road, Chennai – 600 002  
Phone – 044 - 28460390 (6 lines)  
Fax – 044 - 28460129

## **TWENTY FIRST ANNUAL REPORT 2011 - 2012**

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### **NOTICE**

NOTICE is hereby given that the TWENTY FIRST Annual General Meeting of ELNET TECHNOLOGIES LIMITED will be held on Friday, the 22nd June 2012 at 10.00 A.M. at New Woodlands Hotel Pvt. Ltd., No.72-75, Dr. Radhakrishnan Salai, Mylapore, Chennai 600 004 to transact the following business :

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2012 and the Statement of Profit and Loss of the Company for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To declare Dividend
3. To appoint Auditors and to 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 S.H.Bhandari & Co, Chartered Accountants, Chennai be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company on a remuneration of ₹ 3,25,000 /- plus service tax as applicable”.

4. To appoint a Director in place of Thiru C. Ramachandran who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in place of Thiru G. Senrayaperumal who retires by rotation and is eligible for re-appointment.
6. To appoint a Director in place of Thir H. Karthik Seshadri who retires by rotation and is eligible for re-appointment.

By Order of the Board of Directors

Place : Chennai  
Date : 17.05.2012

**UNNAMALAI THIAGARAJAN**  
MANAGING DIRECTOR

## 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 commencement of Annual General Meeting.
2. The explanatory Statement as required under Sec. 173(2) of the Companies Act 1956, in respect of the Ordinary Business set out above is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company shall remain closed from 15.06.2012 to 22.06.2012 (Both days inclusive).
4. The payment of dividend, upon declaration by the shareholders, at the ensuing Annual General Meeting will be made within one month from the date of Annual General Meeting.
5. Members holding shares in dematerialized mode are requested to intimate all changes pertaining to their Bank details, change in address etc., to their Depository participant only and not to the Company's Registrar and Share Transfer Agent.

Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and its Registrars and Share Transfer Agents to provide efficient and better service to the Members.

Pursuant to the provisions of Sec 205A and 205C of the Companies Act, 1956, dividend declared, which remain unclaimed for a period of seven years will be transferred by the Company to the Investor Education and Protection Fund as shown here under.

Financial Year Ended	Date of Declaration of Dividend	Due date of the proposed transfer to Investor Education and Protection Fund
31.03.2005	07.05.2005	06.05.2012 **
31.03.2006	06.05.2006	05.05.2013
31.03.2007	27.07.2007	26.07.2014
31.03.2008	30.07.2008	29.07.2015
31.03.2009	07.07.2009	06.07.2016
31.03.2010	21.07.2010	20.07.2017
31.03.2011	28.06.2012	27.06.2018

\*\* Please note that as per sec.205 (c) of the Companies Act, 1956, we have to transfer the pending amount lies in the Unpaid Dividend account to Investor Education and Protection Fund within 30 days from the due date. Hence we will be transferring the said amount accordingly.

Members who have not so far received / encashed dividend for the aforesaid years are requested to seek payment of dividend by writing to the Company immediately. Members are also requested to note that no claims shall lie against the said fund or the Company in respect of any amounts which were unclaimed and unpaid for seven years from the date they first became due for payment and no payment shall be made in respect of any such claims.

6. Members are requested to bring their copies of this report to the meeting.

## TWENTY FIRST ANNUAL REPORT 2011 - 2012

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7. Members who are holding shares in physical form are requested to intimate to the Registrar and Transfer Agents (R&TA) of the Company immediately about change in their address, if any.
8. Members may contact the Company at Email: elnet@md4.vsnl.net.in for any query.
9. Members who are holding shares in more than one folio are requested to intimate to the Registrars the details of all their folio numbers for consolidation into a single folio. Members who hold shares in dematerialized form are requested to write their Client ID and DPID and those hold shares in physical form are requested to write their folio no. in the attendance slip while attending the meeting for easy identification of attendance at the meeting.
10. Members are requested to
  - i. Write to the Company at least seven days before the date of the Meeting, in case they desire any information as regards the Audited Accounts for the Financial year ended 31.03.2012, so as to enable the Company to keep the information ready.
  - ii. Quote registered folio number or Client ID in all the correspondence.
  - iii. Send all share transfer lodgments (physical mode) / correspondence to the Registrar and Share Transfer Agents of the Company.
11. Members are informed that trading and settlement of Company's shares through Stock Exchanges has been made compulsory in Demat (Electronic) form. In view of this mandatory requirement the members are requested in their own interest to dematerialize their shareholding in the Company.
12. Members are informed that in case of joint holders attending the meeting, only such joint holder who is higher in the order of the names will be entitled to vote.
13. Corporate Members are requested to forward a Certified Copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.

### ANNEXURE TO THE NOTICE

#### EXPLANATORY STATEMENT U/S 173 (2) OF COMPANIES ACT 1956

##### Item No. 3. Appointment of Auditors

As more than 25% of the paid up capital is held by M/s Electronics Corporation of Tamil Nadu Limited, a Government of Tamil Nadu Undertaking, the appointment or reappointment at each Annual General Meeting of the Auditors of the Company shall be made by a Special Resolution as per Sec 224 A of the Companies Act, 1956. M/s S.H. Bhandari & Co., Chartered Accountants, who are the Statutory Auditors for the financial year ended 31.03.2012 is being proposed to be appointed as Auditors for the financial year ending 31.03.2013.

Directors recommend the passing of the resolution.

No Director is interested or concerned in this item of business

By Order of the Board of Directors

Place : Chennai  
Date : 17.05.2012

**UNNAMALAI THIAGARAJAN**  
MANAGING DIRECTOR

INFORMATION ON DIRECTORS RETIRING BY ROTATION SEEKING REAPPOINTMENT AND DIRECTORS PROPOSED TO BE APPOINTED AT THE ANNUAL GENERAL MEETING				
Name	Thiru C. Ramachandran	Thiru G.Senrayaperumal	Thiru H. Karthik Seshadri	
Date of Birth and age	15.05.1938 & 74 Years	03.02.1946 & 66 Years	16.05.1973 & 39 Years	
Appointed on	08.08.2003	25.10.2006	08.08.2003	
Qualification	B.Sc (Hons) MA	B.Com.,	B.A. LLB (Hons.)	
Experience in specific functional areas	Served in Government in various capacities. Worked in public sector companies and retired as Principal Secretary, Industries Dept., Has specialised in the area of Corporate Management	Had 23 Years of Service in CBCID, The State's leading Investigating Agency of Tamilnadu Government. During his tenure in Crime Branch CID he has handled number of important cases. Also has worked as a Liaison Officer in All India Police Duty Meets held in Sinagar, Delhi, Shimla, Ahmedabad, Bangalore, Chennai, etc. Has served in various cadres in Police Departments.	Extensive practice over the past 13 years with emphasis on commercial and corporate litigations, Mergers & Acquisitions, as also other Non litigation transactional work. Credited with arguing a number of cases before the High Court of Madras and other Tribunal, Customs, Excise & Service Tax Appellate Tribunal, Securities Appellate Tribunal, Mumbai and having a number of these cases reported in many law journals.	
Directorship/ Chairmanship held in other public companies	Tamilnadu Petroproducts Ltd - Director		Elnet Software City Ltd. - Director	
	IG3 Infra Ltd (formerly Indian Green Grid Group Limited - Director			
	Elnet Software City Ltd - Director			
	The Great Indian Linen & Textile Infrastructure Company Pvt. Ltd - Director			
	ETL Corporate Services Pvt. Ltd - Director			
	ETL Power Services Ltd - Director			
	Appu Hotels Ltd - Director			
	Tulsian NEC Ltd - Director			
	Grand Luxe Hotels Ltd.			

## TWENTY FIRST ANNUAL REPORT 2011 - 2012

Memberships/ Chairmanship of Committee across public companies	Audit Committee		
	Tamilnadu Petroproducts Limited - Chairman		
	IG3 Infra Ltd (formerly Indian Green Grid Group Ltd) - Member		
	Grand Luxe Hotels Ltd (Formerly ETL Hospitality Services Ltd) - Member		
	Appu Hotels Ltd - Member		
	Shareholders/Investors Grievance Committee		
	Tamilnadu Petroproducts Limited - Member		
	Remuneration Committee		
	Tamilnadu Petroproducts Limited - Chairman		
	Appu Hotels Ltd - Member		
	Appointment & Remuneration Committee		
	IG3 Infra Ltd (formerly Indian Green Grid Group Ltd) - Member		
	Dis-Investment Committee		
	Tamilnadu Petroproducts Limited - Member		
	Project Evaluation Committee		
	Tamilnadu Petroproducts Limited - Member		
	Share Allotment Committee		
	Appu Hotels Ltd - Chairman		
	Selection Committee		
	IG3 Infra Ltd (formerly Indian Green Grid Group Ltd) - Chairman		

## DIRECTORS' REPORT

To

The Members

Your Directors have great pleasure in presenting the TWENTY FIRST Annual Report together with the Audited Accounts of your Company for the Financial Year ended 31.03.2012.

Members would be happy to note that your company has had a successful year of operation, which has resulted in an after tax profit of ₹ 421.35 Lakhs.

## OPERATIONS

The highlights of the Financial Results of your Company are as under:-

Sl. No.	Particulars	For the year ended 31.3.2012 ₹ in Lacs	For the year ended 31.3.2011 ₹ in Lacs
1	Income from operations	1,687.72	1,606.45
2	Non-operating income	59.68	62.03
3	Total expenditure (including financial charges and Depreciation)	1,111.88	1,097.60 *
4	Profit before Taxes	635.51	570.88 *
5	Provision for deferred tax	(15.84)	(21.72)
6	Provision for current tax	230.00	228.00
7	Net Profit	421.35	364.60
8	Dividend & tax thereon	55.79	55.78
9	Transfer to General Reserve	200.00	200.00
10	Balance carried forward to Balance Sheet	165.56	108.82
11	Paid up Equity Share Capital	400.00	400.00

\* Re-grouped based on revised Schedule VI presentation

## DIVIDEND

Your Directors are pleased to recommend a dividend of 12% on the Equity Share Capital of the Company for the year ended March 31, 2012. The dividend, if approved by the Shareholders will be paid out of the profits of the Company for the year to all those equity shareholders whose names appear on the Register of Members of the Company as on 22<sup>nd</sup> June 2012, being the record date and to those whose names appear as beneficial owners on the records of National Securities Depository Limited and Central Depository Services (I) Limited as on 22<sup>nd</sup> June 2012.



## **TWENTY FIRST ANNUAL REPORT 2011 - 2012**

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### **FUTURE PROSPECTS**

Your Company currently enjoys 100% occupancy level. The company is expanding the lettable area to another 26000 sqft by modifying and refurbishing the erstwhile administrative block and the space will be operational from June 2012.

### **SUBSIDIARY COMPANY**

The statement pursuant to Sec 212 of the Companies Act, 1956, containing the relevant details of the Company's subsidiary is attached.

### **CORPORATE GOVERNANCE**

Your Company follows the principles of effective Corporate Governance Practices. The Company has taken steps to comply with the revised Clause 49 of the Listing Agreement with the Stock Exchanges. A report on Corporate Governance is given under separate section titled "Report on Corporate Governance" and forms part of the Annual Report.

The Management Discussion and Analysis Report also form part of the Annual Report.

### **LISTING OF SHARES**

Your Company's shares are listed presently in Madras Stock Exchange Limited and Bombay Stock Exchange Limited. Also, the Company's shares are traded on the National Stock Exchange.

### **DEMATERIALISATION OF EQUITY SHARES**

As on 31.03.2012, 37,36,736 equity shares are held in Dematerialized Form, which constitutes 93.42% of total shareholding.

### **FIXED DEPOSITS**

The company has not invited and accepted Fixed Deposits from the public.

### **DIRECTORS**

Under the provisions of the Articles of Association of the Company three of your Directors Thiru C. Ramachandran, Thiru G.Senrayaperumal and Thiru H. Karthik Seshadri retire by rotation at the forth coming Annual General Meeting. All of them, being eligible, offer themselves for reappointment.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Sec. 217(2AA) of the Companies (Amendment) Act, 2000, the Directors confirm:

- (i) that in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2012, the applicable Accounting Standards have been followed and that there are no material departures;
- (ii) that they have 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) that they have taken proper and sufficient care to the best of their knowledge and ability 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) that they have prepared the annual accounts on a going concern basis.

### **AUDITORS**

M/s S.H. Bhandari & Co. Chartered Accountants, Chennai, the Statutory Auditors of the Company retire at the conclusion of this Annual General Meeting and have expressed their willingness to continue as auditors of the company for the ensuing financial year. Necessary special resolution has been proposed for appointing them as auditors pursuant to Sec 224A of the Companies Act, 1956.

### **INDUSTRIAL RELATIONS**

Industrial relations, during the period under review, continued to remain cordial.

### **PARTICULARS OF EMPLOYEES**

None of the employees of the Company were in receipt of remuneration, which in the aggregate exceeded the limits fixed under sub-section (2A) of Section 217 of the Companies Act, 1956.

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

As the company is not an industrial undertaking, particulars with regard to conservation of energy and technology absorption required to be given under these heads in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable.

**EARNINGS IN FOREIGN EXCHANGE :           NIL**

**EXPENSES INCURRED IN FOREIGN CURRENCY DURING THE YEAR :   NIL**

### **ACKNOWLEDGEMENT**

Your Directors wish to express their sincere thanks to the Government of Tamil Nadu, Electronics Corporation of Tamil Nadu Ltd., State Bank of India, Industrial Finance Branch, Chennai and the Company's customers 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 your Company.

For and on behalf of the Board of Directors,

Place : Chennai  
Date : 17.05.2012

**UNNAMALAI THIAGARAJAN,**  
MANAGING DIRECTOR

**K. PADMANABAN**  
DIRECTOR