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Sixteenth Annual Report

2006 - 2007



BOARD OF DIRECTORS

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

SECRETARY

Thiru R.S. Gowdhaman

AUDITORS

M/s. S.H. Bhandari & Co.
Chartered Accountants
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,
CPT Road, Taramani,
Chennai – 600 113
Phone – 044-22541337/1098 Fax – 044-22541955
E-mail : elnet@md4.vsnl.net.in

**REGISTRAR 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

SIXTEENTH ANNUAL REPORT 2006 - 2007

NOTICE

NOTICE is hereby given that the **SIXTEENTH** Annual General Meeting of **ELNET TECHNOLOGIES LIMITED** will be held on Friday the 27th July 2007 at 11.00 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 2007 and the Profit and Loss Account 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 Rs.2,00,000/- plus service tax as applicable”.

4. To appoint a Director in place of Thiru H. Karthik Seshadri who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in place of Thiru J. Ravi who retires by rotation and is eligible for re-appointment.

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution.

“RESOLVED THAT Thiru C. Umashankar, IAS who was appointed as an additional Director on 10.07.2006 under Sec. 260 of the Companies Act, 1956, but who is eligible for reappointment and in respect of whom the Company has, as required by Sec. 257 of the Companies Act, 1956, received a Notice in writing from a member signifying his intention to propose him as a candidate for the office of the Director, be and is hereby appointed as a Director of the Company.”



“RESOLVED FURTHER THAT Thiru C.Umashankar, IAS who is nominated by Electronics Corporation of Tamilnadu Ltd, as Chairman – Director shall not subject to retirement by rotation in pursuance of the Article 43 (b) of Articles of Association of the Company.”

7. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution.

“RESOLVED THAT Dr. V.Dharmalingam, who was appointed as an additional Director on 10.07.2006 and who vacates this office at this Annual General Meeting under Sec.260 of the Companies Act, 1956, but who is eligible for reappointment and in respect of whom the Company has, as required by Sec.257 of the Companies Act, 1956, received a notice in writing from a member signifying his intention to propose him as a candidate for the office of the Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

8. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution.

“RESOLVED THAT Thiru G.Senrayaperumal, who was appointed as an additional Director on 25.10.2006 and who vacates this office at this Annual General Meeting under Sec.260 of the Companies Act, 1956, but who is eligible for reappointment and in respect of whom the Company has, as required by Sec.257 of the Companies Act, 1956, received a notice in writing from a member signifying his intention to propose him as a candidate for the office of the Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

By Order of the Board of Directors

Place : Chennai

Date : 28.05.2007

R.S.GOWDHAMAN

DGM(F&A) & COMPANY SECRETARY

SIXTEENTH ANNUAL REPORT 2006 - 2007

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 Special Business set out above is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company shall remain closed from 21.07.2007 to 27.07.2007(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.

To avoid loss of dividend warrants in transit and undue delay in respect of receipt of dividend warrants the Company has provided a facility to the Members for remittance of dividend through Electronic Clearing System (ECS). In this connection a circular letter is enclosed to the Members. The ECS facility is available at locations identified by Reserve Bank of India from time to time and covers most of the cities and towns. Members holding shares in physical form and desirous of availing this facility are requested to contact the Company's Registrar and Share Transfer Agents. Members holding shares in dematerialized mode are requested to intimate all changes pertaining to their Bank details, ECS mandates, 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 commencing from the financial year ended 31.03.2001, 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
31.03.2001	27.06.2001	26.06.2008
31.03.2002	17.06.2002	16.06.2009
31.03.2003	30.09.2003	29.09.2010
31.03.2004	29.09.2004	28.09.2011
31.03.2005	07.05.2005	06.05.2012
31.03.2006	06.05.2006	05.05.2013

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.

5. Members are requested to bring their copies of this report to the meeting.
6. Members are requested to intimate to the Registrar and Transfer Agents (R&TA) of the Company immediately about change in their address, where the shares are held in electronic form, such change is to be informed to the Depository Participant (DP) and not to the Company / R&TA.
7. Members may contact the Company at Email : elnet@md4.vsnl.net.in for any query.
8. 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.
9. 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 31.03.2007 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.

SIXTEENTH ANNUAL REPORT 2006 - 2007

10. 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.
 11. 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.
 12. 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.
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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 31.03.2007 is being proposed to be appointed as Auditors for the financial year ending 31.03.2008.

Directors recommend the passing of the resolution.

No Director is interested or concerned in this item of business.

Item No. 6 Appointment of Director

Thiru C.Umashankar, IAS was appointed by the Board of Directors as a Director on 10th July, 2006, and he holds office until the ensuing Annual General Meeting under Sec. 260 of the Companies Act 1956, and is eligible for reappointment. In respect of his appointment the Company has, as required by Sec 257 of the Companies Act, 1956, received a Notice in writing along with deposit from a member signifying his intention to propose him as a candidate for the office of the Director. By virtue of Electronics Corporation of Tamil Nadu Ltd., nominating Thiru C.Umashankar, IAS as a Chairman-Director, he shall not be subject to retirement by rotation as per Article 43(b) of Articles of Association of the Company. Details regarding his profile is given in the annexure attached to the Notice.

The Board is of the view that Thiru C. Umashankar's knowledge and experience will be of immense benefit and value to the Company and therefore recommends his appointment as a Director of your Company.

Apart from Thiru C.Umashankar, IAS no other Director is interested or concerned in this item of business.



Item No. 7 Appointment of Director

Dr.V. Dharmalingam was appointed by the Board of Directors as a Director under section 260 of the Companies Act on 10th July 2006 as an additional director. He holds office up to the date of the Annual General Meeting. As required by Sec.257 of the Companies Act 1956, the Company has received a Notice in writing along with deposit from a member signifying his intention to propose him as a candidate for the office of the Director. Details regarding his profile is given in the annexure attached to the Notice.

Keeping in view the experience and expertise of Dr.V. Dharmalingam his appointment as a Director of the Company is recommended by the Board for your approval.

Apart from Dr.V. Dharmalingam no other Director is interested or concerned in this item of business.

Item No. 8 Appointment of Director

Thiru G. Senrayapuram was appointed by the Board of Directors as an additional director under section 260 of the Companies Act 1956, at its meeting held on 25th October 2006. He holds office upto the date of the Annual General Meeting. As required by Sec. 257 of the Companies Act 1956, the Company has received a Notice in writing along with deposit from a member signifying his intention to propose him as a candidate for the office of the Director. Details regarding his profile is given in the annexure attached to the Notice.

Keeping in view the experience and expertise of Thiru.G.Senrayaperumal his appointment as a Director of the Company is recommended by the Board for your approval.

Apart from Thiru G. Senrayaperumal no other Director is interested or concerned in this item of business.

By Order of the Board of Directors

Place : Chennai

Date : 28.05.2007

R.S.GOWDHAMAN
DGM(F&A) & COMPANY SECRETARY

SIXTEENTH ANNUAL REPORT 2006 - 2007

INFORMATION ON DIRECTORS RETIRING BY ROTATION SEEKING REAPPOINTMENT AND DIRECTORS PROPOSED TO BE APPOINTED AT THE ANNUAL GENERAL MEETING

Name	Thiru C. Umashankar, IAS	Thiru J. Ravi	Thiru H. Karthik Seshadri	Dr.V. Dharmalingam	Thiru G. Senrayaperumal
Date of Birth and age	21.05.1964 43 Years	03.10.1954 52 Years	16.05.1973 34 years	07.05.1956 51 Years	03.02.1946 61 Years
Appointed on Qualification	10.07.2006 B.Com	08.08.2003 B.Tech (Chemical Engg.,)	08.08.2003 B.A. LLB (Hons.)	10.07.2006 B.S.M. (Siddha), D.C.M. (Varma), & D.Sc	25.10.2006 B. Com
Experience in specific functional areas	Designing and implementing multiple e-governance ERPs at Field level and State headquarters level. Designing and implementing commercial ERPs in Universities and manufacturing companies. Leading of a team of over 30 software engineers in the development of e-governance and core commercial ERP applications. Specialisation in disaster	26 years of experience in International Trading	Extensive practise over the past 10 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	Instrumental in establishing the Varma Department at the Aringar Anna Hospital, Chennai. Successful in the treatment of chronic ailments has made him widely known. As an exponent in Indian Medicine, practices internationally.	Had 23 years of service in CBCID, the State's leading Investigating Agency of Tamil Nadu 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 at Srinagar, Delhi, Shimla, Ahemadabad, Hyderabad, Bangalore, Chennai, etc., Has

Name	Thiru C. Umashankar, IAS	Thiru J. Ravi	Thiru H. Karthik Seshadri	Dr.V. Dharmalingam	Thiru G. Senrayaperumal
<p>Directorship/ Chairmanship held in other public companies</p> <p>Memberships/ Chairmanship of Committee across public companies</p>	<p>recovery. Specialised in open source software (RH/SUSE Enterprise Linux) based application design and implementation. Special skill in open source databases such as Postgresql and Mysql.</p> <p>1. M/s. Electronics Corporation of Tamil Nadu Limited</p> <p>2. M/s. Ravichandra Systems and Computer Services Limited</p> <p>3. M/s. Kody Teck Ltd.</p>	<p>-</p> <p>-</p> <p>-</p>	<p>having a number of these cases reported in many law journals.</p> <p>1.M/s. Elnet Software City Ltd., Director</p> <p>2.M/s. Dhandapani Finance Ltd, Director</p>	<p>-</p> <p>-</p> <p>-</p>	<p>served in various cadres in Police Departments.</p> <p>-</p> <p>-</p> <p>-</p>