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# Seventeenth Annual Report

2007 - 2008



**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 N.S. Jayakumar  
Dr. V. Dharmalingam  
Thiru G. Senrayaperumal  
Thiru K. Padmanaban (Upto 27.03.2008)

**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,  
Rajiv Gandhi Salai, 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

## **SEVENTEENTH ANNUAL REPORT 2007 - 2008**

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### **NOTICE**

NOTICE is hereby given that the **SEVENTEENTH** Annual General Meeting of **ELNET TECHNOLOGIES LIMITED** will be held on Wednesday the 30<sup>th</sup> July, 2008 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 31<sup>st</sup> March 2008 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 C. Ramachandran who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in place of Thiru P.S. Kumar who retires by rotation and is eligible for re-appointment.
6. To appoint a Director in place of Thiru R. Ganapathi who retires by rotation and is eligible for re-appointment.

### **SPECIAL BUSINESS**

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

"RESOLVED THAT Thiru S. Paulraj who was appointed as Director on 05.05.2008 in the casual vacancy caused by the resignation of Thiru K. Padmanaban and who vacates office at this Annual General Meeting under Sec. 262 of the Companies Act, 1956, and 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 along with deposit 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 : 05.05.2008

**R.S.GOWDHAMAN**

DGM(F&A) & COMPANY SECRETARY



## 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 24.07.2008 to 30.07.2008 (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. 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 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
31.03.2007	27.07.2007	26.07.2014

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

## SEVENTEENTH ANNUAL REPORT 2007 - 2008

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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](mailto: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 31.03.2008, 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.
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.



## **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 31.03.2008 is being proposed to be appointed as Auditors for the financial year ending 31.03.2009.

Directors recommend the passing of the resolution.

Director is interested or concerned in this item of business

#### **Item No. 7 Appointment of Director**

Thiru S. Paulraj was appointed by the Board of Directors as a Director on 05.05.2008, in the casual vacancy caused by the resignation of Thiru K. Padmanaban and he holds office until the ensuing Annual General Meeting under Sec.262 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. Details regarding his profile is given in the annexure attached to the Notice.

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

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

By Order of the Board of Directors

Place : Chennai  
Date : 05.05.2008

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

## SEVENTEENTH ANNUAL REPORT 2007 - 2008

INFORMATION ON DIRECTORS RETIRING BY ROTATION SEEKING REAPPOINTMENT AND DIRECTORS PROPOSED TO BE APPOINTED AT THE ANNUAL GENERAL MEETING				
Name	Thiru C. Ramachandran	Thiru P.S. Kumar	Thiru R. Ganapathi	Thiru S. Paulraj
Date of Birth and age	15.05.1938 70 Years	07.04.1944 64 Years	28.06.1955 53 years	07.06.1955 53 Years
Appointed on Qualification	08.08.2003 B.Sc(Hons) MA	06.09.2002 B.Com, FCA, FCA (England & Wales)	14.08.2003 B.Tech - Mechanical Engineering - IIT, Chennai	BA
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	An eminent Chartered Accountant in practice for over 30 years. Has specialised in the areas of Corporate Audit and International Taxation.	Engineering - Management. IT Training, Construction and heavy machinery trading.	8 Years experience in Private Company. 20 Years in ELCOT in various capacities.
Directorship/ Chairmanship held in other public companies	1. M/s. Tamilnadu Petro-products Ltd Director 2. ETL Infrastructure Services Ltd - Chairman 3. Elnet Software City Ltd - Director 4. ETL Hospitality Services Ltd - Director 5. The Great Indian Linen & Textile Infrastructure Company Pvt. Ltd- Chairman 6. ETL Corporate Services Pvt. Ltd - Chairman	1. Brahmayya Consultants Pvt. Ltd Director 2. ETL Infrastructure Services Ltd - Director 3. Elnet Software City Ltd - Director 4. ETL Power Services Ltd Director 5. Rane (Madras) Ltd - Director 6. Can Fin Homes Ltd - Director	1. Deccan Softlab Pvt. Ltd Director 2. ETL Infrastructure Services Ltd - Director 3. Elnet Software City Ltd Director 4. Trigyn Technologies Ltd - Ex-Director 5. Trigyn Technologies (India) Pvt. Ltd - Director 6. Trigyn Technologies Inc., USA - Director	-     -

<b>INFORMATION ON DIRECTORS RETIRING BY ROTATION SEEKING REAPPOINTMENT AND DIRECTORS PROPOSED TO BE APPOINTED AT THE ANNUAL GENERAL MEETING</b>				
<b>Name</b>	<b>Thiru C. Ramachandran</b>	<b>Thiru P.S. Kumar</b>	<b>Thiru R. Ganapathi</b>	<b>Thiru S. Paulraj</b>
	7. ETL Power Services Ltd - Chairman  8.Appu Hotels Ltd - Director  9. Tulsian NEC Ltd - Director		7. Leading Edge Infotech Ltd - Director  8. Orient Green Power Company Ltd - Director	
Memberships/ Chairmanship of Committee across public companies	<b>Audit Committee</b> Tamilnadu Petroproducts Limited - Chairman ETL Infrastructure Services Ltd - Member ETL Hospitality Services Ltd - Member <b>Shareholders/Investors</b> <b>Grievance Committee</b> Tamilnadu Petroproducts Ltd - Member <b>Remuneration Committee</b> Tamilnadu Petroproducts Ltd - Chairman <b>Appointment &amp; Remuneration Committee</b> ETL Infrastructure Services Ltd - Member <b>Dis-Investment Committee</b> Tamilnadu Petroproducts Ltd - Member <b>Project Evaluation Committee</b> Tamilnadu Petroproducts Ltd - Member	<b>Executive Committee</b> Andhra Chamber of Commerce (Sec.25 Company) - Member		

**SEVENTEENTH ANNUAL REPORT 2007 - 2008****DIRECTORS' REPORT**

To

The Members

Your Directors have great pleasure in presenting the SEVENTEENTH Annual Report together with the Audited Accounts of your Company for the Financial Year ending 31.03.2008.

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 Rs.366.74 Lakhs.

**OPERATIONS**

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

Sl. No.	Particulars	For the year ended 31.3.2008 Rs. in Lacs	For the year ended 31.3.2007 Rs. in Lacs
1.	Income from operations	1594.77	1331.28
2.	Non-operating income	14.73	61.66
3.	Total expenditure	708.48	537.21
4.	Interest	180.85	156.12
5.	Gross profit (after interest but before depreciation and taxation) [1+2)-(3+4)]	720.17	699.61
6.	Depreciation	154.34	144.07
7.	Provision for deferred tax	32.37	39.13
8.	Provision for current tax	165.00	152.00
9.	Fringe benefit tax	1.72	1.40
10.	Provision for tax for earlier year		-
11.	Net Profit	366.74	363.01
12.	Dividend & tax thereon	93.60	84.24
13.	Transfer to General Reserve	200.00	200.00
14.	Balance carried forward to Balance Sheet	73.14	78.77
15.	Paid up Equity Share Capital	400.00	400.00



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## **DIVIDEND**

Your Directors are pleased to recommend a dividend of 20% on the Equity Share Capital of the Company for the year ended March 31, 2008. 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 30<sup>th</sup> July, 2008, 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 30<sup>th</sup> July, 2008.

## **FUTURE PROSPECTS**

Your Company currently enjoys 100% occupancy level. The proposal to demolish the administrative block and to erect a new tower in its place will be implemented upon receipt of clearances from various statutory bodies/agencies.

## **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 forms 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.

## **DEMATERIALISATION OF EQUITY SHARES**

As on 31.03.2008, 2211310 numbers of equity shares are held in Dematerialized Form, which constitutes 55.28% of total shareholding.

## **FIXED DEPOSITS**

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