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# **Eighteenth Annual Report**

**2008 - 2009**

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**BOARD OF DIRECTORS**

Dr. Santhosh Babu, 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 S Paulraj  
Thiru N.Mohan (up to 22.04.2009)  
Thiru K.Padmanaban  
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,  
Rajiv Gandhi Salai, Taramani,  
Chennai – 600 113.  
Phone – 22541337/1098 Fax – 22541955  
E-mail: 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 – 28460390 (6 lines)  
Fax - 28460129

## **EIGHTEENTH ANNUAL REPORT 2008 - 2009**

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### **NOTICE**

NOTICE is hereby given that the **EIGHTEENTH** Annual General Meeting of **ELNET TECHNOLOGIES LIMITED** will be held on 7th the July 2009 at 11.00 am at New Woodlands Hotel Pvt Ltd., No.72-75, Dr.Radhakrishnan Salai, Mylapore, Chennai - 600004 to transact the following business:

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2009 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. 2,85,000/- plus service tax as applicable".
4. To appoint a Director in place of Thiru J.Ravi who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in place of Dr.V.Dharmalingam who retires by rotation and is eligible for re-appointment.
6. To appoint a Director in place of Thiru G.Senrayaperumal who retires by rotation and is eligible for re-appointment.

### **SPECIAL BUSINESS**

#### **APPOINTMENT OF DIRECTORS U/S 257 OF THE COMPANIES ACT,1956.**

7. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution.  
"RESOLVED THAT Dr. SANTHOSH BABU, IAS who was appointed as Director on 29.09.2008 in the casual vacancy caused by the resignation of Thiru .C.Umashankar IAS and who vacates office at this Annual General Meeting under Sec 262 of the Companies Act,1956, but who is eligible for re-appointment 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".  
"RESOLVED FURTHER THAT Dr. SANTHOSH BABU, 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".
8. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution.

"RESOLVED THAT Thiru K.PADMANABAN who was appointed as Director on 23.04.2009 in the casual vacancy caused by the resignation of Thiru N.MOHAN, who vacates office at this Annual General Meeting 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".

### **RE-APPOINTMENT OF MANAGING DIRECTOR**

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

"RESOLVED THAT, pursuant to Sec 269 of the Companies Act, 1956 read with Schedule XIII Sections 309, 311 and other applicable provisions of the Companies Act, 1956 Tmt. Unnamalai Thiagarajan, Managing Director be and is hereby reappointed as Managing Director of the Company for further period of 5 years with effect from 29.09.2008 and thereby superseding the earlier referred resolution passed in so far her period of office is concerned."

"RESOLVED FURTHER THAT, Tmt. Unnamalai Thiagarajan, Managing Director be paid a remuneration of Rs. 14,00,000 per annum with effect from the 29.09.2008 onwards till her tenure of her office"

"RESOLVED FURTHER THAT, the action of the Board of Director in re-appointing Tmt Unnamalai Thiagarajan as Managing Director with effect from 29.09.2008 till the date of this meeting as approved at the Board meeting held on 29.09.2008 be and is hereby ratified and that the remuneration for her services as Managing Director for the period from 29.09.2008 till the conclusion of this meeting (both days inclusive) be and is hereby approved."

By Order of the Board of Directors

Place : Chennai

**R.S.GOWDHAMAN**

Date : 23.04.2009

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 01.07.2009 to 07.07.2009 (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.

## EIGHTEENTH ANNUAL REPORT 2008 - 2009

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 commencing from the financial year ended 31.03.2002, 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 |
|----------------------|---------------------------------|---|
| 31.03.2002           | 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  |
| 31.03.2008           | 30.07.2008                      | 29.07.2015  |

**\*\* Please note that as per Sec 205 (c) (1) 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.**

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.
7. 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.
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 31.03.2009, 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 31.03.2009 is being proposed to be appointed as Auditors for the financial year ending 31.03.2010.

Directors recommend the passing of the resolution.

No Director is interested or concerned in this item of business

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

Dr.Santhosh Babu,IAS was appointed by the Board of Directors as a Director on 29.09.2008,in the casual vacancy caused by the resignation of Thiru C.Umashankar,IAS. He hold 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. By virtue of Electronics Corporation of Tamil nadu Ltd., nominating Dr.S.Sathosh Babu, IAS as a Chairman-Director, he shall not be subject to retirement by rotation as per Artifice 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 Dr.Santhosh Babu IAS's knowledge and experience will be of immense benefit and value to the Company and therefore recommends his appointment as a

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Director in your Company.

Apart from Dr S.Santhosh Babu, IAS no other Director is interested or concerned in this item of business.

### **Item No. 8 Appointment of Director**

Thiru K.Padmanaban was appointed by the Board of Directors as a Director on 23.04.2009, in the casual vacancy caused by the resignation of Thiru N.S.Jayakumar and he holds office until the ensuing Annual General Meeting and is eligible for reappointment. In respect of his appointment the Company has, 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 K.Padmanaban, his appointment as a Director of the Company is recommended by the Board for your approval.

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

### **Item No. 9 Re-appointment of Managing Director**

Tmt. Unnamalai Thiagarajan, Director was appointed as Managing Director of the company with effect from 30.09.2003 for a period of 5 years by the members at the Annual General Meeting held on 30.09.2003. The Board meeting held on 29.09.2008 reappointed her as the Managing Director for a further period of 5 years with effect from that date. The approval of the members is sought for re-appointing Tmt.Unnamalai Thiagarajan as Managing Director for further period of 5 years with effect from 29.09.2008 and also for payment of remuneration to her from that date. Tmt.Unnamalai Thiagarajan is proposed to be paid a consolidated remuneration of Rs. 14,00,000 per annum subject to the approval of this meeting. No Provident Fund, Gratuity and other perquisites are payable to her. The approval of the Members is also sought for ratifying the re-appointment of Tmt.Unnamalai Thiagarajan as the Managing Director by the Board from 29.09.2008 till this date of this meeting and also approval for the remuneration to be paid to her for that period.

Apart from Tmt. Unnamalai Thiagarajan no other Director is interested or concerned in the item of business.

Your directors recommend passing this resolution.

By Order of the Board of Directors

Place : Chennai

**R.S.GOWDHAMAN**

Date : 23.04.2009

**DGM(F&A) & COMPANY SECRETARY**



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

| Name  | Dr.Santhosh Babu.,<br>IAS.,  | Tmt.Unnamalai<br>Thiagarajan         | Thiru<br>K.Padmanaban  | Thiru J.Ravi   | Dr.V.Dharmalingam   | Thiru<br>G.Senrayaperumal  |
|---|--|--------------------------------------|--|--|---|--|
| Date of Birth<br>and age  | 12.03.1968 & 41<br>Years   | 28.12.1959 & 50<br>Years             | 06.02.1960 & 49<br>Years   | 03.10.1954 &<br>55 Years                                 | 07.05.1956 & 53<br>Years  | 03.02.1946 & 63 Years  |
| Appointed on  | 29.09.2008   | 08.08.2003                           | 27.07.2005   | 08.08.2003   | 10.07.2006  | 25.10.2006   |
| Qualification   | M.B.B.S.   | B.A,B.L.,                            | BA.,BGL., ACS.,<br>AICWA.,   | B.Tech<br>- Chemical<br>Engineering                      | B.S.M.(Siddha),<br>D.C.M.(Varma) &<br>D.Sc.,  | B.Com.,  |
| Experience in<br>specific func-<br>tional areas                       | Served in<br>Government in<br>various capcities for<br>about 14 years. | Law, Plantation<br>Managerment.      | An officer with<br>more than 20<br>years of<br>experience in<br>Executive<br>position in<br>ELCOT and<br>holding the post<br>of Company<br>Secretary and<br>General Manager<br>(Legal) & (P) in<br>ELCOT | 29 years of<br>experience in<br>International<br>Trading | Instrumental in<br>establishing the<br>Varma Department<br>at Aringar Anna<br>Hospital, Chennai.<br>Successful in the<br>treatment of chronic<br>ailments has made<br>him widely known. As<br>an exponent in India<br>Medicine, Practices<br>internationally. | Had 23 Years of Service<br>in CBCID, The State's<br>leading Investingating<br>Agency of Tamilnadu<br>Government. During his<br>tenure in Crime Branch<br>CID he has handled<br>number of important<br>cases. Also has worked<br>as a Liaison Officer in<br>All India Police Duty<br>Meets held in Srinagar,<br>Delhi, Shimla,<br>Ahemedabad, Bangalore,<br>Chennai, etc. Has served<br>in various cadres in<br>Police Departments. |
| Directorship/<br>Chairmanship<br>held in other<br>public<br>companies | M/s Electronics<br>Corporation of<br>Tamilnadu Ltd                     | ETL Infrasturc-<br>ture Services Ltd | M/s Insignia<br>Infotech Pvt Ltd   |  |   |  |
|   | M/s Tidel Park<br>Coimbatore Limited                                   |                                      |  |  |   |  |
|   |  |                                      |  |  |   |  |



## **EIGHTEENTH ANNUAL REPORT 2008 - 2009**

### **DIRECTORS' REPORT**

To The Members

Your Directors have great pleasure in presenting the EIGHTEENTH Annual Report together with the Audited Accounts of your Company for the Financial Year ending 31.03.2009.

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 394.84 Lakhs.

### **OPERATIONS**

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

| <b>Sl. No.</b> | <b>Particulars</b>  | <b>For the year ended 31.3.2009<br/>Rs. in Lacs</b> | <b>For the year ended 31.3.2008<br/>Rs. in Lacs</b> |
|----------------|---|---|---|
| 1.             | Income from operations  | 1901.69   | 1594.77   |
| 2.             | Non-operating income  | 36.17   | 14.73   |
| 3.             | Total expenditure   | 877.27  | 708.48  |
| 4.             | Interest  | 166.64  | 180.85  |
| 5.             | Gross profit (after interest but before depreciation and taxation) [1+2)-(3+4)] | 893.95  | 720.17  |
| 6.             | Depreciation  | 283.95  | 154.34  |
| 7.             | Provision for deferred tax  | (8.55)  | 32.37   |
| 8.             | Provision for current tax   | 222.00  | 165.00  |
| 9.             | Fringe benefit tax  | 1.71  | 1.72  |
| 10.            | Provision for tax for earlier year  | -   | -   |
| 11.            | Net Profit  | 394.84  | 366.74  |
| 12.            | Dividend & tax thereon  | 56.16   | 93.60   |
| 13.            | Transfer to General Reserve   | 200.00  | 200.00  |
| 14.            | Balance carried forward to Balance Sheet  | 138.68  | 73.14   |
| 15.            | Paid up Equity Share Capital  | 400.00  | 400.00  |

## **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, 2009. 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 7th July 2009, 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 7th July 2009.

## **FUTURE PROSPECTS**

Your Company currently enjoys almost 100% occupancy level. The proposal to demolish the administrative block and to erect a new tower in its place has been put on hold and alternatively a proposal to renovate this block to house a multi cuisine food court is under consideration.

## **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.

## **DEMATERIALISATION OF EQUITY SHARES**

As on 31.03.2009, 2222529 numbers of equity shares are held in Dematerialized Form, which constitutes 55.56% of total shareholding.

## **FIXED DEPOSITS**

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