



23rd Annual Report

2013 - 14

BOARD OF DIRECTORS
(as on 30th May 2014)

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

STATUTORY 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
155, Anna Salai
Chennai 600 002

M/s. Axis Bank Limited
Main Branch, 82, Dr.Radhakrishnan Salai
Chennai 600 004

M/s. Canara Bank
Kasturbanagar, Chennai 600 020

REGISTERED OFFICE

Elnet Software City
TS 140, Block No.2&9,
Rajiv Gandhi Salai,
Taramani, Chennai 600 113
Phone – 044 – 2254 1337 / 1098
Fax – 044 – 2254 1955
E-mail : elnet@md4.vsnl.net.in

**REGISTRARS AND SHARE
TRANSFER AGENTS**

M/s. Cameo Corporate Services Limited
“Subramanian Building”, 5th Floor
No.1, Club House Road, Chennai 600 002
Phone - -044 – 2846 0390 (6 lines)
Fax – 044 – 2846 0129

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FINANCIAL HIGHLIGHTS

(In ₹ Lakhs)

HIGHLIGHTS	2013-14	2012-13	2011-12	2010-11	2009-10
Gross Revenue	2253.80	2169.21	1687.72	1606.45	1681.91
Profits Before Tax	864.59	802.03	635.51	570.88	573.65
Taxation	280.69	263.13	214.16	206.27	198.42
Profits After Tax	583.90	538.90	421.35	364.61	375.23
Dividend & Dividend Taxes	65.52	65.52	55.79	56.79	55.97
Borrowings	426.34	426.34	426.34	873.44	1381.62
Networth	4299.21	3780.82	3298.38	2932.82	2623.99
Earnings per Equity Share	14.60	13.47	10.53	9.12	9.38
Dividend on Equity Share	14%	14%	12%	12%	12%
Debt: Equity Ratio	0.1:1	0.1:1	0.1:1	0.3:1	0.5:1

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NOTICE

NOTICE is hereby given that the **TWENTY THIRD** Annual General Meeting of **ELNET TECHNOLOGIES LIMITED** will be held on Thursday, the 17th July 2014 at 11.00 AM 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 2014 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 pursuant to the provisions of Section 139 and 142 of the Companies Act, 2013 and the Rules made thereunder and pursuant to the recommendations of the Board of Directors, M/s S.H.Bhandari & Co, Chartered Accountants (FRN : 000438S), Chennai be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting to 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 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.

SPECIAL BUSINESS

6. APPOINTMENT OF DIRECTOR

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

“RESOLVED THAT Thiru R.Sridhar who was appointed as Director on 22.04.2014 in the casual vacancy caused by the resignation of Thiru V. RAMACHANDRAN, who vacates office at this Annual General Meeting and is eligible for reappointment, in respect of whom the Company has, as required by Sec. 160 of the Companies Act 2013, 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, is not subject to retire by rotation”.

7. APPOINTMENT OF DIRECTOR

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

“RESOLVED THAT Thiru G. Chellakrishna who was appointed as Director on 22.04.2014 in the casual vacancy caused by the resignation of Thiru P.S.Kumar, who vacates office at this Annual General Meeting and is eligible for reappointment, in respect of whom the Company has, as required by Sec. 160 of the Companies Act 2013, 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. RE-APPOINTMENT OF MANAGING DIRECTOR

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

“RESOLVED that, pursuant to the provisions of Sections 190, 196, 197, 203 and Schedule V and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and the Articles of Association of the Company, Tmt. Unnamalai Thiagarajan, Managing Director be and is hereby re-appointed as Managing Director of the Company for a further period of five years with effect from 29th day of September, 2013 and thereby superseding the earlier referred resolution passed in so far her period of office is concerned.

RESOLVED FURTHER THAT, the re-appointment of Tmt. Unnamalai Thiagarajan, Managing Director for a period of five years, with effect from 29th day of September 2013 on the terms and conditions as specified in the Statement pursuant to Section 102(1) of the Companies Act, 2013 annexed to this Notice.

RESOLVED FURTHER THAT Tmt. Unnamalai Thiagarajan, Managing Director, be paid a remuneration of ₹ 14,00,000/- per annum with effect from 29th day of September 2013 onwards till the end of the tenure.

RESOLVED FURTHER THAT the action of the Board of Director in re-appointing Tmt. Unnamalai Thiagarajan as Managing Director with effect from 29th day of September 2013 till the date of this meeting as approved at the Board meeting held on 29th July 2013 be and is hereby ratified and that the remuneration for the services as Managing Director for the period from 29th day of September 2013 till the conclusion of this meeting (both days inclusive) be and is hereby approved”.

By Order of the Board of Directors

Place : Chennai
Date : 30.05.2014

S. LAKSHMI NARASIMHAN
COMPANY SECRETARY

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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. 102 of the Companies Act 2013, 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 10th July 2014 to 17th July 2014 (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 123(1) of the Companies Act, 2013, 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
31.03.2007	27.07.2007	25.08.2014**
31.03.2008	30.07.2008	28.08.2015
31.03.2009	07.07.2009	05.08.2016
31.03.2010	21.07.2010	19.08.2017
31.03.2011	28.06.2011	26.07.2018
31.03.2012	22.06.2012	20.07.2019
31.03.2013	20.06.2013	18.07.2020

** Please note that as per sec.123 (1) of the Companies Act, 2013, we have to transfer the pending amount lying 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.
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 31.03.2014, 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.

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ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT U/S 102(1) OF COMPANIES ACT 2013

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 139 and 142 of the Companies Act, 2013. M/s S.H. Bhandari & Company Chartered Accountants, who are the Statutory Auditors for the financial year ended 31.03.2014 is being proposed to be appointed as Auditors for the financial year ending 31.03.2015.

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 R. Sridhar was appointed by the Board of Directors as a Director on 22.04.2014, in the casual vacancy caused by the resignation of Thiru V. Ramachandran 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 160 of the Companies Act, 2013, received a Notice in writing along with deposit of ₹ 1,00,000/- from a member signifying his intention to propose him as a candidate for the office of the Director. A detail regarding his profile is given in the annexure attached to the Notice.

Keeping in view the experience and expertise of Thiru R. Sridhar, his appointment as a Director of the Company is recommended by the Board for your approval. Thiru R. Sridhar is not liable to retire by rotation.

No director, key managerial personnel or their relatives, except Thiru R. Sridhar to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No.6 for the approval of the members.

Item No. 7 Appointment of Director

Thiru G. Chellakrishna was appointed by the Board of Directors as a Director on 22.04.2014, in the casual vacancy caused by the resignation of Thiru P.S. Kumar 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 160 of the Companies Act, 2013, received a Notice in writing along with a deposit of ₹ 1,00,000/- from a member signifying his intention to propose him as a candidate for the office of the Director. A detail regarding his profile is given in the annexure attached to the Notice.

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

No director, key managerial personnel or their relatives, except Thiru G. Chellakrishna to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No.7 for the approval of the members.

Item No. 8. Re-appointment of Managing Director

The Board, at its meeting held on 29.09.2008 re-appointed Tmt. Unnamalai Thiagarajan as the Managing Director for a further period of 5 years with effect from that date pursuant to Section 269 of the Companies Act, 1956 read with Article 40 of Association of the Company. Subsequently the members at the Annual General Meeting held on 07th July 2009 approved the re-appointment.

The Board meeting held on 29.07.2013 re-appointed Tmt. Unnamalai Thiagarajan as the Managing Director for a further period of 5 years with effect from 29.09.2013. 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 29.09.2013 and also for payment of remuneration from that date. Tmt. Unnamalai Thiagarajan is proposed to be paid a consolidated remuneration of ₹14,00,000/- per annum subject to the approval of this meeting. No Provident fund, Gratuity and other perquisites are payable. 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 29.09.2013 till the date of this meeting and also approval for the remuneration paid for that period and is not liable to retire by rotation.

No director, key managerial personnel or their relatives, except Tmt. Unnamalai Thiagarajan, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No.8 for the approval of the members.

This may be treated as an abstract under Section 190 of the Companies Act, 2013.

By Order of the Board of Directors

Place : Chennai
Date : 30.05.2014

S. LAKSHMI NARASIMHAN
COMPANY SECRETARY