

ELNET TECHNOLOGIES LIMITED
 Elnet Software City, TS 140, Block 2 & 9, Rajiv Gandhi Salai,
 Taramani, Chennai 600 113

**MINUTES OF THE ANNUAL GENERAL MEETING OF THE MEMBERS HELD ON
 28th JUNE 2011 AT 11.00 AM AT NEW WOODLANDS HOTEL PVT LTD., 72-75,
 DR.RADHAKRISHNAN SALAI, MYLAPORE, CHENNAI – 600 004**

Directors Present

1. Tmt Unnamalai Thiagarajan, Managing Director
2. Thiru P.S.Kumar, Director
3. Thiru J. Ravi, Director
4. Thiru H. Karthik Seshadri, Director
5. Thiru K. Padmanaban, Director
6. Thiru G.Senrayaperumal, Director
7. Thiru K. Kasim, Director

By invitation

1. Thiru Shreyans Bhandari, M/s. S.H.Bhandari & Co.,
Chartered Accountants
2. Thiru V. Ravindranath,
3. Thiru C. Venkataramanan, Senior Vice President –
Commercial & Operations

MEMBERS PRESENT

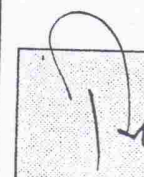
81 members of the Company were present in person including 3 representatives of Body Corporate Promoter Shareholders viz Electronics Corporation of Tamil Nadu Limited, Stur Technologies Private Limited, Southern Projects Management Pvt. Ltd and 5 proxies.

NOTICE, CHAIRMAN'S SPEECH AND AUDITORS' REPORT

The Chairman Thiru Atul Anand, IAS, was not present at the meeting, Thiru P.S. Kumar, Director, was unanimously elected to the Chair, after his name was proposed by Thiru K. Padmanaban, Member representing M/s. Electronics Corporation of Tamil Nadu Ltd., (Folio No.008) and seconded by Thiru V. Balaji (Client ID No.05895601)

Thereafter, Thiru P.S.Kumar, took the chair.

The Chairman after ascertaining the quorum for the Annual General Meeting called the meeting to order and welcomed the members present.



At this juncture, the Chairman introduced all the Directors for the benefit of the members.

Then, the Notice was taken as read with the consent of the members.

The Chairman asked the Compliance Officer to read the Auditors' Report and the Compliance Officer read out the Auditors' Report and the same was accepted.

The Chairman moved the Audited Statement of Accounts and Directors' Report may be taken as read and the same was accepted.

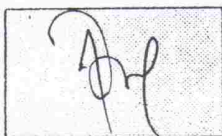
Then the Chairman read out the Chairman's speech, explaining the performance of the Company for the financial year 2010-11.

After this, the Chairman moved the following items for members' approval:

AGENDA ITEM NO.1 ADOPTION OF THE ANNUAL ACCOUNTS, DIRECTORS' REPORT AND AUDITORS' REPORT.

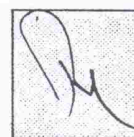
The Chairman invited queries from the Members on the Accounts for the year ended 31st March, 2011. The following queries were raised by the members and were duly replied by the Chairman and Sr.Vice President (Commercial & Operations).

Sl.No.	Name of the Shareholder	QUERIES & REPLY
1	Mr.Narendran, DP ID No.301151 / Cl. ID23151431	Query : Whether auditors have checked the bank balances in deposits by visiting the respective branches of banks as required post – Satyam scam. Reply by: CHAIRMAN There is no compulsion under the statute at present for an auditor to visit the branch of a bank in order to obtain confirmation of deposits. There is a reference to an audit procedure to be complied with in the new Companies Bill which is however pending consideration by both the Houses of Parliament. At the stage the auditors who were present at the meeting were requested to confirm the procedure followed by them. The auditors confirmed that they had in fact obtained and verified confirmation from the banks.



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2	Mr.G.Srinivasalu - Joint shareholder cl.id:1471566	Query: Why the performance of the company is not satisfactory? Total income - Previous year 16.81 crores Current year 16.68 crores, Net Profit Previous year 3.75 crores - Current year Rs.3.64 crores. Why there is a decrease in the total income and net profit?
		Reply by: Sr.VP-Comm.&Oper. Due to recession over the previous years, rental has been squeezed by the clients. Now only market is slightly picking up. Hope to stabilise in the coming days. Query : Page 45 of Annual Report, Item 16: a) Why Diesel account has been increased from Rs.1.09 crores to Rs.1.39 crores? b) Why R&M Building expenses has been increased from Rs.1.09 crores to 1.42 crores? c) Why Security charges has been increased from Rs.3.14 crores to Rs.3.52 crores? Page 68 Item No.9 d) Why there is an increase in Sundry Debtors from Rs.1.32 crores to Rs.1.44 crores? Reply by: Sr.VP-Comm.&Oper. a) R&M Diesel expenses : Due to frequent power cut, we have to utilise 40% of the power from DG sets. Hence Diesel cost is increased b) R&M Building: Nowadays, IT companies prefer to take the space with plug and play. Hence we had to spend these expenses for Interior Fitouts. c) R&M Security Charges: Nominal increase in the wages and input cost Query : e) Capital - Rs.4 crores - Reserves & Surplus : Rs.25.32 crores - Whether the company will be issuing bonus shares to the shareholders! Reply by: Chairman d) As regards the outstanding amounts of sundry debtors, we have an efficient tracking systems to ensure that debtors do not fall overdue.. Also the audit committee at every meeting monitors the position. No The company has sufficient security by way of deposits from debtors . e) Please refer notes on accounts where contingent liabilities are shown. Since the contingent liabilities issue is not resolved, it is too premature to think about Bonus shares.



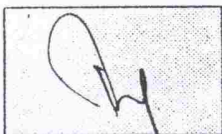
		Query : f) Page No.39 under head EXPENDITURE - Employee's cost and Benefit - Why there is an increase from Rs.0.95 crores to Rs.1.10 crores?
		Reply by: Sr.VP-Comm.&Oper.
		f) During this year, Ex-gratia was accounted both on payment basis and on accrual basis. Hence this increase.
		Query : g) What is the status of the subsidiary Company Elnet Software City Limited? When will the company commence its operations?
		Reply by: Chairman
		g) We are awaiting clearance from the Government authorities. Upon receipt, we will examine the options available for exploring the opportunities.
3	Mr.Vijay P. Wadwa - Cl. Id :11539564	Query : Show cause notice on Service Tax on Electricity charges. Reply by: Sr.VP-Comm.&Oper. The Show cause notice pertains to taxability of service tax on electricity. We have filed a petition in the Honourable Madras High Court and obtained stay.

Then, the Chairman moved the following resolution:

"RESOLVED that the Profit and Loss Account for the year ended 31.03.2011 and Balance Sheet as at 31st March 2011 together with the Notes and Reports of Directors and Auditors thereon be and are hereby received, considered and adopted".

Thiru S.G. Subramanian (Client ID No.43122427) proposed the resolution

Thiru M. Kishanlal (Folio No.4364) seconded the Resolution.



The Chairman put the Resolution to vote by show of hands for the resolution and the Chairman declared that the resolution was passed unanimously.

AGENDA ITEM NO.2 DECLARATION OF DIVIDEND

The Chairman moved the following resolution as Ordinary Resolution:

"RESOLVED that a dividend of Rs. 1.20 per share be declared to be paid for the year ended 31st March 2011 to such of those shareholders whose names appear in the Register of Members as on 28.06.2011, being the record date"

Thiru T. Palani (Cl. ID No.11195867) proposed the resolution.

Thiru Sambasiva Shankaran (Folio No.5437) seconded the Resolution.

The Chairman put the Resolution to vote by show of hands for the resolution and the Chairman declared that the resolution was passed unanimously.

AGENDA ITEM NO.3 APPOINTMENT OF M/s S.H.BHANDARI & CO, AS STATUTORY AUDITORS

The Chairman moved the following 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,

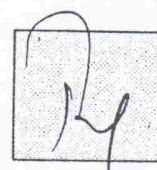
Thiru G. Sriguru (Client ID No.11083573) proposed the resolution

Thiru K. Chandra Prakash (Folio No.10854) seconded the Resolution.

The Chairman put the Resolution to vote by show of hands for the resolution and the Chairman declared that the resolution was passed unanimously.

AGENDA ITEM NO.4 APPOINTMENT OF DIRECTORS U/S 262 OF THE COMPANIES ACT, 1956

The Chairman moved the following resolution as Ordinary Resolution


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"RESOLVED THAT Thiru Atul Anad, IAS, who was appointed as Director on 03.06.2011 in the casual vacancy caused by the resignation of Dr.Santhosh Babu, IAS, and who vacates office at this Annual General Meeting under Sec. 262 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 Atul Anand, IAS who has been nominated by Electronics Corporation of Tamilnadu Ltd, as Chairman – Director shall not be subject to retirement by rotation in pursuance of the Article 43 (b) of Articles of Association of the Company"

Thiru K.Padmanaban (Folio No.8) representative of Electronics Corporation of Tamilnadu Ltd proposed the resolution.

Thiru Narendran (Cl. ID No.23151431) seconded the resolution

The Chairman put the Resolution to vote by show of hands for the resolution and the Chairman declared that the resolution was passed unanimously.

AGENDA ITEM NO.5 APPOINTMENT OF THIRU R. GANAPATHI, AS DIRECTOR

The Chairman moved the following resolution as Ordinary Resolution:

"RESOLVED that Thiru R. Ganapathi, Director be and is hereby reappointed as Director of the Company whose period of office shall be liable for retirement by rotation".

Thiru Jaclin Sethuram (Client ID No. 10221707) proposed the Resolution

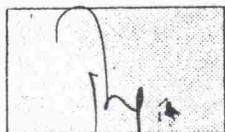
Thiru R. Kiran Kumar Jain (Client ID No.22010664) seconded the Resolution.

The Chairman put the Resolution to vote by show of hands for the resolution and the Chairman declared that the resolution was passed unanimously.

AGENDA ITEM NO.6 APPOINTMENT OF THIRU J. RAVI AS DIRECTOR

The Chairman moved the following resolution as Ordinary Resolution:

"RESOLVED that Thiru J. Ravi, Director be and is hereby reappointed as Director of the Company."



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Thiru M.V. Kuppuswamy (Client ID No.17572255) proposed the resolution.

Thiru S. Sethu (Client ID No.26819109) seconded the resolution.

The Chairman put the Resolution to vote by show of hands for the resolution and the Chairman declared that the resolution was passed unanimously.

AGENDA ITEM NO.7 APPOINTMENT OF DR.V. DHARMALINGAM, AS DIRECTOR

The Chairman moved the following resolution as Ordinary Resolution:

"RESOLVED that Dr.V. Dharmalingam, Director be and is hereby reappointed as Director of the Company."

Thiru P.V. Mahadevan (Client ID No.00007027) proposed the resolution.

Thiru Pukhraj Jain (Client ID No.22148472) seconded the resolution.

The Chairman put the Resolution to vote by show of hands for the resolution and the Chairman declared that the resolution was passed unanimously.

There being no other business to transact, the Chairman thanked the members and declared the meeting as concluded.

29TH June 2011

CHAIRMAN

(P. K. RUMAN)