



# 23<sup>rd</sup> ANNUAL REPORT 2011-2012

**BOOK POST**

# NETWORK LIMITED

If undelivered, please return to :  
**NETWORK LIMITED**  
W-41, Okhla Industrial Area, Phase-II  
New Delhi - 110 020

Board of Directors	:	Ashok Sawhney Aman Sawhney Avinash Chander Sharma Pankaj Shrimali Vijay Kalra G.S. Goyal
Manager	:	Aman Sawhney
Company Secretary	:	Ajay Mittal
Auditors	:	S. Kapoor & Associates Chartered Accountants
Bankers	:	State Bank of Mysore ICICI Bank HDFC Bank Vijaya Bank
Registered Office	:	W-41, Okhla Industrial Area Phase - II, New Delhi - 110020 Tele : 011-40564883 Fax : 011-26389770
Registrar and Share Transfer Agent	:	Alankit Assignments Ltd. Alankit House, 2E/21 Jhandewalan Extension, New Delhi - 110055 Tel. : 011-42541955 Fax : 011-42540064

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## NOTICE

**NOTICE** is hereby given that the Twenty Third Annual General Meeting of the Company will be held on Thursday, 27<sup>th</sup> day of September, 2012 at 10.30 A.M. at MPCU Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Delhi – 110 054 to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2012 and Profit and Loss Account for the year ended on that date & the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Aman Sawhney, who retires by rotation and being eligible, offers himself, for re-appointment.
3. To appoint a Director in place of Mr. Vijay Kalra, who retires by rotation and being eligible, offers himself, for re-appointment.
4. To appoint Auditors and to fix their remuneration. M/s. S. Kapoor & Associates, Chartered Accountants, the retiring Auditors, being eligible, offer themselves for re-appointment.

### SPECIAL BUSINESS:

5. **To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 269 and all other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the said Act, as amended, and subject to such other approval as may be necessary, consent of the Company be and is hereby accorded to the re-appointment of Mr. Aman Sawhney as “Manager” of the Company in terms of Section 2(24) of the Companies Act, 1956 without any remuneration for a period of three years with effect from 21<sup>st</sup> August, 2012.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**By Order of the Board  
For Network Limited**

Sd/-

**Ajay Mittal  
Company Secretary**

**Place: New Delhi**

**Date: 20.07.2012**

### NOTES:

1. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of special businesses is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. A BLANK PROXY FORM IS ENCLOSED FOR THE USE OF THE MEMBERS, IF REQUIRED. THE INSTRUMENT APPOINTING THE PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
4. Members/Proxies should bring the Attendance Slip duly filled in for attending the meeting along with their copy of the Annual Report. No extra attendance slip and/or Annual Report will be provided at the venue of the Annual General Meeting.
5. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
6. The Register of Members and Share Transfer Books shall remain closed from 21<sup>st</sup> September, 2012 to 27<sup>th</sup> September, 2012 (both days inclusive).
7. Members are requested to notify any change in their address to the Company's Registrar & Share Transfer Agent, quoting their folio number.
8. Please note that as per rules of Auditorium, briefcases, hand-bags, snacks-boxes, cameras, walkman etc. are not allowed to be carried inside the Auditorium. Further, smoking and consuming of alcohol/ alcoholic drinks is prohibited in the Auditorium and on the stage.
9. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. A recent amendment to the Listing Agreement with the Stock Exchanges permits companies to send soft copies of the Annual Report to all those shareholders who have registered their email address for the said purpose. Members are requested to support this Green Initiative by registering/updating their e-mail addresses for receiving electronic communications. Shareholders requiring a printed copy of Annual Report should forward their request to the company.

10. The securities and Exchange Board of India (“SEBI”) has notified that shareholders/ transferee of shares (including joint holders) holding shares in physical form are required to furnish a certified copy of PAN card to the company/ RTA while transacting in securities market including transfer, transmission or any other corporate action.  
Accordingly, all the shareholders/ transferee of shares (including joint holders) are requested to furnish a certified copy of PAN card to the company/ RTA while transacting in securities market including transfer, transmission or any other corporate action.
11. The company has designated an exclusive email ID called : **network.limited@gmail.com** for redressal of shareholders' complaints/ grievances. In case you have any queries/complaints or unresolved grievances, then please write to us at the given email ID.
12. Details of Directors seeking appointment at the ensuing Annual General Meeting (in pursuance of clause of 49 of the Listing Agreement)

Name of the Director	Mr. Aman Sawhney	Mr. Vijay Kalra
Date of Birth & Age	24 <sup>th</sup> April, 1968 Age: 44	4 <sup>th</sup> April, 1969 Age: 43 years
Date of Appointment	17 <sup>th</sup> May, 2010	10 <sup>th</sup> January, 2007
Qualifications	M.B.A	B.Com, FCA
Expertise in specific functional Area	He is having 22 years of experience in quality control, manufacturing and marketing of High quality precision wrist watches/ Dials and Life style products	He is having 17 years of experience in Accounts, Finance and Taxation field.
List of Companies in which outside Directorship is held	1. Libra Research & Business Solutions Pvt Ltd 2. Swiss Military Lifestyle Products Pvt Ltd. 3. AAA Products Pvt Ltd 4. AAS Research & Solutions Pvt Ltd	1. Vian Realty & Consultant Pvt Ltd 2. Uninet Infra Technologies Pvt Ltd
Chairman/ Member of the Committees of the Board of the Companies on which he is a Director	Nil	Nil

#### EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173(2) OF THE COMPANIES ACT, 1956

##### ITEM NO. 5

The present period of Mr. Aman Sawhney as Manager of the Company will expire on 20<sup>th</sup> August, 2012. Mr. Aman Sawhney has been appointed as Manager of the Company in terms of section 2(24) of the Companies Act, 1956 with effect from 21<sup>st</sup> August, 2012 without any remuneration for a period of three years in the Board Meeting held on 20<sup>th</sup> July, 2012.

Mr. Aman Sawhney is also a Director of the Company. Mr. Sawhney is a commerce graduate and MBA (Operation Management & MIS) from Vanderbilt University, U.S.A., having about 22 years of experience in quality control, manufacturing and marketing of high quality precision wrist watches/dials & life style products.

Mr. Ashok Sawhney and Mr. Aman Sawhney, be considered as interested in the passing of this resolution and no other Director is concerned or interested in this resolution.

As per the provisions of Schedule XIII of the Companies Act, 1956, the said appointment requires approval from the Members.

The Directors recommend and place before you the proposed resolution for your consideration and approval.

**By Order of the Board  
For Network Limited**

**Sd/-  
Ajay Mittal  
Company Secretary**

**Place: New Delhi  
Date: 20.07.2012**

**TO THE MEMBERS OF  
NETWORK LIMITED**

Your Directors have pleasure in presenting their 23<sup>rd</sup> Annual Report of the Company together with the Audited Accounts of the Company for the Financial Year ended 31<sup>st</sup> March, 2012.

**FINANCIAL HIGHLIGHTS**

The highlights of Financial Results for the Financial Year ended 31<sup>st</sup> March, 2012 in comparison to the Financial Year ended 31<sup>st</sup> March, 2011 are as follows:

(Rs in Lacs)

PARTICULARS		
	31 <sup>st</sup> March 12	31 <sup>st</sup> March 11
Revenue from Operations	403.10	60.91
Total Income	407.38	62.62
Total Expenditure	442.48	60.85
Profit/(Loss) before depreciation	(35.10)	1.77
Depreciation	86.66	86.77
Profit / ( Loss ) before Tax	(123.27)	(85.00)
Provision for taxation	-	0.71
Profit / (Loss) after Tax	(123.27)	(84.29)
Add:- Profit/(Loss) brought forward	(354.09)	(269.80)
Prior Period Adjustment	1.51	-
Profit/(Loss) carried forward to Balance Sheet	(475.85)	(354.09)

**ECONOMIC SCENARIO**

The world economy has been passing through stress. Financial turmoil in Europe has affected other countries. This contagion has pushed up borrowing cost and slowed growth in many parts of the world, and capital flows to developing countries have fallen. As a result, and despite a strengthening of activity in the United States and Japan, world trade has slowed down. Under this scenario the forecast for global economic growth has been revised downward to about 2.5% in 2012. Indian economy also slowed down in 2011-12 mainly due to weak industrial growth. Inflation remained a major concern constraining RBI to pursue tight monetary policy. 2012 has started with widespread concerns of another global recession. Equity market valuation in terms of price earnings ratios in all big markets is not far from low levels seen during financial crisis of 2008/2009. Fears of the crisis moving to Asia as well due to a housing collapse in China have intensified. Sentiment is not far from lows seen at start of 2009, when markets feared a depression following collapse of Lehman Brothers in late 2008. Volatile prices of index stocks have caused a fear in the minds of FIIs and domestic investors that lead to outflow of funds by FIIs. Hikes in the interest rates by the Reserve Bank to curtail inflation has affected Industrial growth and also been viewed negatively by the market resulting in sharp volatility in the financial market.

**OPERATIONAL REVIEW**

During the financial year under review, the company incurred loss after tax Rs. 123.27 Lacs against loss of Rs. 84.29 Lacs in

the previous year. The management of your company expects improvement in the current year with the stabilization in the business sentiments. The Company thrust is on trading and investment in commodities, forex and derivative products. This will be supplemented through more research and qualitative techniques for decision making. The company is continuing with task to build businesses with long term goals through its intrinsic strength in corporate and investment research. To accelerate further value creation, your company continues to work on new fields through collaboration, association and strategic investments.

**OPPORTUNITIES AND THREATS**

Outlook for the Company is linked to financial & Commodities market with local & global sentiments. The Board of the company believes that Company's Investments in Commodities, forex and derivate products would reasonably perform in the ensuing years. The Company is exploring opportunities in the sphere of forex, commodities and derivative products for long term value creation, by way of collaboration, association and strategic investments. The performance of the company would be closely linked to the Indian financial Market, commodities market & global currency fluctuations and consequently to the risks associated with market operations. The performance of Indian financial & commodities market are in correlation with the economic growth of the country as well as global economy, performance of various sectors, inflation, global market, etc. Instability of any of the factors may affect the markets adversely.

**DIVIDEND**

In view of net loss incurred by the Company, your directors do not recommend any dividend for the Financial Year ended 31<sup>st</sup> March, 2012.

**PUBLIC DEPOSITS**

The Company has not accepted any deposits from the public in terms of Section 58A of the Companies Act, 1956 during the year under review.

**AUDIT COMMITTEE**

The Audit Committee presently comprises of the following Directors as its members:

1. Mr. Vijay Kalra
2. Mr. G S Goyal
3. Mr. Ashok Sawhney
4. Mr. Aman Sawhney

The Audit Committee met four times during the year.

**AUDITORS & AUDITORS OBSERVATIONS**

The auditors of the Company M/s. S. Kapoor & Associates, Chartered Accountants, holds office until the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board of Directors recommends the re-appointment of the Auditors.

The observations of the Auditors on the Accounts for the period under report have been suitably explained in the notes on Accounts and did not require any further clarification.

#### **INTERNAL CONTROL SYSTEMS AND ADEQUACY**

An adequate system of internal control is in place which mandates maintaining proper accounting records and assures reliability of financial information.

#### **DIRECTORS**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the company, Mr. Aman Sawhney and Mr. Vijay Kalra, Directors retires by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment. Your Board also recommends for re-appointment of Mr. Aman Sawhney and Mr. Vijay Kalra as Directors of the Company. Brief resume of Mr. Aman Sawhney and Mr. Vijay Kalra, nature of their expertise in specific functional areas and name of companies in which they holds the directorship and membership/ chairmanship of committees of the Board, as stipulated under clause 49 of the Listing Agreement with Stock Exchange, appear in the Notice of Annual General Meeting, which forms part of this Annual Report

#### **SUBSIDIARY COMPANY**

The Company does not have any subsidiary Company.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirements under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- a) That in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit/ loss of the Company for that period;
- c) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) That the Directors had prepared the annual accounts on a going concern basis.

#### **PARTICULARS OF EMPLOYEES**

During the year under review, none of employees are covered under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO**

Your Company did not carry out any activity relating to Research & Development, Technology Absorption during the year under review. Hence particulars in this regard as per the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is not required.

As the Company is not involved in any manufacturing or processing activities, the particulars as per the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, regarding conservation of energy and technology absorption are not applicable.

There is no foreign exchange earnings or outgo during the current financial period.

#### **HUMAN RESOURCE AND INDUSTRY RELATIONS**

The Company recognizes the importance and contribution of its human resources for its growth and development and is committed to the development of its people.

The Company has cordial relations with employees and staff. There are no industry relation problems during the year and company does not anticipate any material problems on this count in the current year.

#### **CORPORATE GOVERNANCE**

In terms of the listing agreement with Stock Exchange, the company is required to comply with the corporate governance provisions. As a listed company, necessary measures have been taken to comply with the listing agreements with the stock exchange. The annexed report on Corporate Governance along with a certificate of compliance from the practicing Company Secretary forms part of this report.

#### **ACKNOWLEDGEMENT**

Your Directors acknowledge the support of the shareholders and also wish to place on record their appreciation of employees for their commendable efforts, teamwork and professionalism. The Directors also express their grateful thanks to the Banks, Government Authorities, Customers, Suppliers, Employees and other Business Associates for their continued cooperation and patronage.

**For and on behalf of the Board of Directors**

Sd/-

**Date: 20.07.2012**

**ASHOK SAWHNEY**

**Place: New Delhi**

**CHAIRMAN**

Pursuant to Clause 49 of the Listing Agreement a Report on Corporate Governance is given below:

## 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance deals with the laws, procedures and practices which determine Company's ability to take managerial decisions and in particular relations with shareholders, customers, suppliers and employees. The objective of Good Corporate Governance is to enhance the long-term shareholders value and maximize interest of other stakeholders. The Company believes that the systems and actions must dovetail for enhancing the performance and shareholder's value in the long term. The Company is conscious of its responsibility as a good corporate citizen. The Company values transparency, professionalism and accountability.

## 2. BOARD OF DIRECTORS

The Board comprises of following members:

Name of the Directors	Category	No. of positions held in other Public Companies		
		Board	Committee *	
			Membership	ChairmanShip
Mr. Ashok Sawhney	Non – Executive	01	-	-
Mr. Aman Sawhney	Executive	-	-	-
Mr. Avinash Chander Sharma	Non – Executive Independent	02	-	-
Mr. Pankaj Shrimali	Promoter Non – Executive	01	-	01
Mr. Vijay Kalra	Non – Executive Independent	-	-	-
Mr. G S Goyal	Non – Executive Independent	-	-	-

\*Membership/ Chairmanship of Audit Committee, Remuneration Committee and Investor's/ Shareholder's Grievances Committee/ Share Transfer Committee only.

### Directors' Attendance Records

During the Financial Year 2011-12, (Four) meetings of the Board of Directors were held on 30.04.2011, 05.08.2011, 28.11.2011 & 30.01.2012. The intervening period between the Board Meetings was well within the maximum time gap of four months as prescribed in clause 49 of the Listing Agreement.

Name of Directors	No. of Board Meeting	Attendance at the Board Meeting	Whether attended Last AGM
Mr. Ashok Sawhney	04	04	Yes
Mr. Aman Sawhney	04	04	Yes
Mr. Avinash Chander Sharma	04	04	No
Mr. Pankaj Shrimali	04	04	Yes
Mr. Vijay Kalra	04	04	Yes
Mr. G S Goyal	04	04	Yes

The details under clause 49 of Listing Agreement of the directors – Mr. Aman Sawhney and Mr. Vijay Kalra seeking appointment at the Annual General Meeting is given under the notes to the notice of the Annual General Meeting.

## 3. AUDIT COMMITTEE

### (a) Terms of Reference

The Audit Committee has been constituted as per Section 292A of the Companies Act, 1956 and the provisions of the Clause 49 of the Listing Agreement. The Audit Committee is responsible for effective supervision of the financial reporting process, ensuring financial and accounting controls and compliance with financial policies of the Company. The other roles and terms of reference of Audit Committee covers areas mentioned under clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, besides other terms as may be referred by the Board of Directors from time to time.

### (b) Composition

The Audit Committee presently comprises of Mr. Vijay Kalra, Mr. Ashok Sawhney, Mr. Aman Sawhney and Mr. G S Goyal.

### (c) Attendance

The Committee met four (4) times during the Financial Year 2011-2012 on the following dates: 30.04.2011, 05.08.2011, 28.11.2011 & 30.01.2012

Name of the Directors	Category	Designation	Attendance at the Audit Committee Meeting
Mr. Vijay Kalra	Non – Executive Independent	Chairman	04
Mr. Ashok Sawhney	Non – Executive	Member	04
Mr. Aman Sawhney	Executive	Member	04
Mr. G S Goyal	Non – Executive Independent	Member	04

#### 4. REMUNERATION COMMITTEE

Remuneration committee was not required to be constituted.

The Non-Executive Directors have not drawn any remuneration from the company except sitting fees of Board meeting attended by them and profession fees for providing professional consultancy and advise. The Non-Executive Directors did not have any other material pecuniary relationship for transactions vis-à-vis the company during the year

#### 5. INVESTORS GRIEVANCE COMMITTEE

(i) In compliance with the requirements of the Corporate Governance under the Listing Agreement with the Stock Exchange, the Company has constituted an “Investors' Grievance Committee” to look into issues relating to shareholders including share transfer. The Email ID –network.limited@gmail.com is exclusively for redressal of investor grievances

##### (ii) Composition:

Name of the Directors	Category	Designation
Mr. Ashok Sawhney	Non – Executive	Member
Mr. Avinash Chander Sharma	Non – Executive Independent	Member
Mr. Aman Sawhney	Executive	Member

The committee met four (4) times during the year on 30.04.2011, 05.08.2011, 28.11.2011 & 30.01.2012.

(iii) Mr. Ajay Mittal, Company Secretary is the Compliance Officer of the Company to look after the compliances under the Listing Agreement and other SEBI Rules & Regulations etc.

(iv) During the year, the company has received four complaints from the shareholders, which were resolved. There was no pending complaint & share transfers as on 31<sup>st</sup> March., 2012

#### 6. ANNUAL GENERAL MEETINGS

Financial Year	Location	Date	Time	No. of Special Resolution (s) passed
2010-11	MPCU Shah Auditorium, Shree Delhi Gujrati Samaj Marg, Civil Lines, New Delhi – 110 054	23.09.2011	2.30 P.M	One
2009-10	MPCU Shah Auditorium, Shree Delhi Gujrati Samaj Marg, Civil Lines, New Delhi – 110 054	14.07.2010	2.00 P.M	Two
2008-09	Shri Sathya Sai International Centre, Pragati Vihar, Lodhi Road (Opposite Sai Baba Temple) New Delhi – 110 003	15.09.2009	4.00 P.M.	Four

#### POSTAL BALLOT

No resolution was put through Postal Ballot in the last year and no special resolutions requiring postal ballot are being placed for shareholder's approval in the Annual General Meeting.

#### 7. DISCLOSURES

##### (a) Related Party Transactions

The particulars of transactions between the Company and its related parties as per the accounting standard is set out in Note No. 2.21 of Notes on accounts of the Annual Report. However, these transactions are not likely to have potential conflict with the Company's interest.

##### (b) Non compliance by the Company, Penalties, Strictures

The Company has complied with various rules and regulations prescribed by the Stock Exchange, Securities and Exchange Board of India or statutory authorities relating to capital markets during the last three years. No penalties and strictures have been imposed by them on the company in this regard.

#### 8. MEANS OF COMMUNICATION

(a) The unaudited quarterly, half-yearly and audited yearly financial results of the company are sent by fax and also by courier service to the Bombay Stock Exchange.

(b) The Quarterly / half-yearly / annual accounts results are published in the English and Hindi Newspaper.

- which newspaper normally published in      The Pioneer (English) & Veer Arjun (Hindi)
- Any website where displayed                      www.networklimited.net
- whether it also displays official news release      No
- whether presentations made to institutional investors or to analyst      No



(c) The Management Discussion and Analysis forms part of Directors' report.

## 9. GENERAL SHAREHOLDERS INFORMATION

### i) Annual General Meeting

Day & Date	Time	Venue
Thursday, 27 <sup>th</sup> September, 2012	10.30 A.M.	MPCU Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Delhi – 110 054

### ii) Financial Calendar

Financial Reporting for the quarter ended 30 <sup>th</sup> June, 2012	20.07.2012
Financial Reporting for the quarter ended 30 <sup>th</sup> September, 2012	within 45 days from the end of the quarter
Financial Reporting for the quarter ended 31 <sup>st</sup> December, 2012	within 45 days from the end of the quarter
Audited Results for the financial year ended 31 <sup>st</sup> March, 2013	within sixty days from the end of last quarter 31 <sup>st</sup> March, 2013

### iii) Dates of Book Closure

21st September, 2012 to 27th September, 2012  
(Both days inclusive)

### iv) Dividend Payment Date

Not applicable

v) **Listing on Stock Exchange:** The Shares of the Company are listed on the Bombay Stock Exchange Ltd, Listing fees for the year 2012-2013 has been paid.

vi) **Stock Code/Symbol:** 523558 at the Bombay Stock Exchange Ltd (BSE).

vii) **Market Price Data:** High/ low of market price of the Company's equity shares traded frequently on BSE during the last financial year were as follows:

Month	High	Low	Month	High	Low
Apr – 11	11.20	8.81	Oct-11	9.67	7.99
May – 11	10.40	7.55	Nov-11	10.98	7.00
Jun – 11	10.45	7.65	Dec-11	8.77	7.08
Jul – 11	9.00	7.33	Jan-12	9.00	6.95
Aug – 11	8.57	7.30	Feb-12	8.43	6.59
Sep – 11	8.05	6.61	March-12	7.80	6.15

Source: [www.bseindia.com](http://www.bseindia.com)

Viii) **Registrar and Share Transfer Agent & Share Transfer System - M/s. Alankit Assignments Limited** is the Registrar and Share Transfer Agent for the shares of the Company in both physical as well as electronic modes. All correspondence with regard to share transfers and matters related therewith may directly be addressed to the Registrar and Share Transfer Agent at the address given below:

<b>Name</b>	:	<b>Alankit Assignments Limited</b>
<b>Address</b>	:	Alankit House, 2E/21 Jhandewalan Extn., New Delhi-110 055
<b>Telephone No</b>	:	011-42541955
<b>Fax No.</b>	:	011-42540064

ix) **Share Transfer System:** The Company's shares are traded on Bombay Stock Exchange Ltd (BSE) compulsorily in Demat mode. Physical shares which are lodged with the Registrar & Transfer Agent or Company for transfer are processed and returned to the shareholders duly transferred within the time stipulated under the Listing Agreement subject to the documents being in order.

x) **Distribution of Shareholding as on 31st March, 2012:**

Category		No. of share held	% of shareholding
<b>A</b>	<b>Promoter's holding</b>		
1.	Promoters & Promoter Group	29,843,639	60.72
2.	Persons acting in concert	-	-
	<b>Sub – Total (A)</b>	<b>29,843,639</b>	<b>60.72</b>
<b>B.</b>	<b>Non - Promoters Holding</b>		
3.	<b>Institutional Investors</b>	<b>Nil</b>	<b>Nil</b>
a.	Mutual Fund and UTI	800	0.00
b.	Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions/ Non – Govt. Institutions)	Nil	Nil
c.	FII's	7500	0.02
	<b>Sub – Total (B)</b>	<b>8300</b>	<b>0.02</b>
<b>4.</b>	<b>Others</b>		
a.	Private Corporate Bodies	14,834,159	30.18
b.	Resident Indian Public	4,447,432	9.05
c.	NRIs/ OCBs	14968	0.03
	<b>Sub – Total (C)</b>	<b>19,296,559</b>	<b>39.26</b>
	<b>Grand Total (A+B+C)</b>	<b>49,148,498</b>	<b>100</b>

xi) **Dematerialization of shares and liquidity:** As on 31st March, 2012 about 96.41% of the Company's equity paid-up capital had been dematerialized. Trading in equity shares of the Company at the Stock Exchange is permitted compulsorily in demat mode.

xii) There are no outstanding GDRs/ ADRs/ Warrants and other convertible instruments.

xiii) **Address for Correspondence:** The shareholders may send their communication grievances/ queries to the Registrar and Share Transfer Agents at their Address mentioned above or to the Company at:

**Regd. Office:** W-41, Okhla Industrial Area, Phase II, New Delhi-110 020

xiv) **Compliance Certificate on Corporate Governance:** Certificate from the M/s. Agrawal Manish Kumar & Co., Practicing Company Secretaries confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49, is annexed to Director's Report forming part of the Annual Report.

**10. CEO/CFO Certification**

As required by Clause 49 of the Listing Agreement, the certificate duly certified by Mr. Aman Sawhney, Director & Manager and Mr. Ajay Mittal Company Secretary was placed before the Board at its meeting held on 20th July, 2012. This certificate is annexed to the report.

**11. Compliance of Code of Conduct**

Your Company has laid down a Code of Conduct for all the Board Members and Senior Management personnel of the Company, All the Board Members and senior management personnel have affirmed their compliance with the said Code of Conduct for the financial year ended 31st March, 2012, the declaration to this effect duly signed by Mr. Aman Sawhney, Director & Manager of the Company is give hereunder:

**Declaration under Clause 49 (1D) for Compliance with the Code of Conduct**

As per the requirements of the clause 49 of the Listing Agreement with the Stock Exchange, the company has laid down a Code of Conduct for its Board and Senior Management.

I, Aman Sawhney, Director & Manager of Company confirm the compliance of the Code of Conduct by myself and other members of the Board & Senior Management Personnel as affirmed by them individually

Place : New Delhi

Date : 20.07.2012

Sd/-  
AMANSAWHNEY  
DIRECTOR & MANAGER

**12. NON-MANDATORY REQUIREMENTS**

The Company proposes to adopt the non-mandatory requirements given in Annexure-3 of Clause 49 of the listing agreement in due course of time.

**For and on behalf of the Board of Directors**

Date: 20.07.2012  
Place: New Delhi

Sd/-  
ASHOKSAWHNEY  
CHAIRMAN

**CEO/CFO CERTIFICATION**

We, Aman Sawhney, Director & Manager and Ajay Mittal, Company Secretary, responsible for the finance function certify that:

- a) We have reviewed the financial statements and cash flow statements for the year ended 31<sup>st</sup> March, 2012 and to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the company during the year ended 31<sup>st</sup> March, 2012 are fraudulent, illegal or violate the company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the Auditors and Audit Committee and steps have been taken to rectify these deficiencies.
- d) We further certify that:
  - i) There has not been any significant changes in internal control over financial reporting during the year under reference;
  - ii) There has not been any significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
  - iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting;

**Date : 20.07.2012**  
**Place : New Delhi**

Sd/-  
**AMAN SAWHNEY**  
**DIRECTOR & MANAGER**

Sd/-  
**AJAY MITTAL**  
**COMPANY SECRETARY**

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**CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF LISTING AGREEMENT**

**TO THE MEMBERS OF NETWORK LIMITED**

We have examined the compliance of conditions of Corporate Governance by Network Limited, for the year ended on 31<sup>st</sup> March, 2012, as stipulated in Clause 49 of the listing Agreement of the said Company with stock exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, the representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in above mentioned Listing Agreement and that no investor grievance(s) is/are pending for a period exceeding one month against the Company as per records maintained by the Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency of effectiveness with which the management has conducted the affairs of the Company.

**FORAGRAWAL MANISH KUMAR & CO**  
**Company secretaries**

**DATE : 20-07-2012**  
**PLACE : New Delhi**

Sd/-  
**(MANISH KUMARAGRAWAL)**  
PROPRIETOR  
C.P. NO. 7057

To,

**The Members of Network Limited,**

1. We have audited the attached Balance Sheet of Network Limited, as at 31<sup>st</sup> March, 2012, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, on the basis of such checks of books and records of the company as we considered appropriate and according to information & explanations given to us, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the annexure referred in paragraph 3 above, we report that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of account, as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement

with the books of accounts.

- d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956.
- e) On the basis of written representations received from the directors, as on 31<sup>st</sup> March 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a) in the case of the Balance Sheet, of the state of the affairs of the company as at 31<sup>st</sup> March, 2012;
  - b) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
  - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For and on behalf of  
**S. Kapoor & Associates**  
 Chartered Accountants

Sd/-

**Place : New Delhi**  
**Dated : 20-07-2012**

**Sanjay Kapoor**  
 F.C.A. (Proprietor)  
 Membership No.82499

**Annexure to the report of the Auditors to the members of Network Limited on the accounts for the year ended 31st March 2012.**

{Referred to in paragraph 3 of our report of even date}

1. a) The Company has maintained proper records showing full particulars, including situation of its fixed assets.
- b) The management has physically verified its fixed assets within reasonable intervals. No material discrepancies were noticed on such verification.
- c) No Fixed Assets were disposed off during the year, and therefore do not affect the going concern assumption.
2. The Company is not holding any inventories other than e-Securities and e-Commodities therefore paragraph 4(ii) of the order are not applicable.
3. (a) The company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956.
- (b) The company has not granted any loans to any company, firm or other party covered in Register maintained under section 301 of the Companies Act, 1956.
4. In our opinion, and according to the information and explanation given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of fixed assets. The activities of the company do not involve purchase of inventory or sale of goods. We have not noted any major weaknesses in the internal control during the course of our audit.
5. (a) In our opinion and according to the information and explanation given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- b. The Company has not entered into any transaction with any companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 exceeding value of Rs.5 Lacs in respect of each party.
6. According to the information and explanation given to us, the Company has not accepted fixed deposits from public within the meaning of the directive issued by Reserve Bank of India and the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under.
7. In Our opinion, the company has internal audit system commensurate with its size and nature of its business.
8. According to the information and explanation given to us, the Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956, for any of the products of the Company.
9. (a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, Investor Education and protection fund, income tax, service tax, sales tax, wealth tax, customs duty and other material statutory dues have generally been regularly deposited during the period by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of investor education and protection fund, Wealth tax, Service tax, Excise duty, cess and custom duty.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, service tax, custom duty and excise duty and cess were outstanding as at 31<sup>st</sup> March 2012 for a period exceeding six months from the date they became payable.

- c) According to the information and explanations given to us, there are no dues of income tax, custom duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute. However, sales tax authorities have raised demands of Rs.19.07 Lacs against which Rs.6.52 Lacs has been deposited and for unpaid amount of Rs.12.55 Lacs the company is in appeal.
10. The accumulated losses at the end of the financial period amounted to Rs. 475.85 Lacs, which is less than Fifty percent of its Net worth. The Company has **incurred cash losses** during the financial year covered by the audit but in the immediately preceding financial year, the company earned cash profit.
11. The Company did not have any outstanding dues to any financial institutions, bank or debenture holders during the year. Accordingly paragraph 4(x) of the order is not applicable.
12. The Company has not granted any loans and advances to any party on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a Chit fund, Nidhi or mutual benefit Society. Hence the requirement of item (xiii) of paragraph 4 of the Order is not applicable to the company.
14. According to Information and Explanations given to us and on the basis of our examination of the books of accounts, proper records have been maintained of the transactions and contracts and timely entries have been made therein in respect of the shares and other investment dealt with or traded by the company. All shares and other investment have been held by the Company in its own name
15. According to Information and Explanations given to us, the Company has not given any Corporate Guarantee for loan taken by others from Banks or Financial Institution, during the year.
16. According to the information and explanation given to us, the company did not have any term loans outstanding during the year.
17. According to the information and explanations given to us and on overall examination of the Balance sheet of the Company, we are of the opinion that funds raised on short-term basis have not been used for long-term investment.
18. The company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year.
20. The company has not made any public issue during the year.
21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For and on behalf of  
**S. Kapoor & Associates**  
Chartered Accountants

**Sd/-**  
**Sanjay Kapoor**  
F.C.A. (Proprietor)  
Membership No.82499

**Place: New Delhi**  
**Dated: 20-07-2012**

Particulars	Note No.	As at 31.03.2012 Amt in Rs.	As at 31.03.2011 Amt in Rs.
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2.1	491,484,980	491,484,980
(b) Reserves & Surplus	2.2	31,563,455	43,739,701
<b>(2) Non-Current Liabilities</b>			
(a) Other Long Term Liabilities	2.3	1,499,080	1,499,080
(b) Long-Term Provisions	2.4	172,192	294,590
<b>(3) Current Liabilities</b>			
(a) Trade Payable		15,905	-
(b) Other Current Liabilities	2.5	141,890	641,353
<b>TOTAL</b>		<b>524,877,502</b>	<b>537,659,704</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets :</b>			
(a) Fixed Assets	2.6		
(i) Tangible Assets		1,157,351	1,304,926
(ii) Intangible Assets		17,029,273	25,547,351
(b) Non-Current Investments	2.7	435,890,281	428,866,321
<b>(2) Current Assets :</b>			
(a) Inventories	2.8	15,213,377	7,174,231
(b) Trade Receivable	2.9	266,472	-
(c) Cash and Cash Equivalents	2.10	14,679,388	66,228,886
(d) Short-Term Loans and Advances	2.11	40,641,360	8,537,989
<b>TOTAL</b>		<b>524,877,502</b>	<b>537,659,704</b>

See accompanying notes forming part of the financial statements 1&2

As per our report of even date

**For and on behalf of**  
**S. KAPOOR & ASSOCIATES**  
**Chartered Accountants**

Sd/-  
**SANJAY KAPOOR**  
**PROPRIETOR**  
**M. No. 82499**

**Place : New Delhi**  
**Date : 20.07.2012**

**For and On behalf of the Board of Directors**

Sd/-  
**ASHOK SAWHNEY**  
**Chairman**

Sd/-  
**AMAN SAWHNEY**  
**Director & Manager**

Sd/-  
**AJAY MITTAL**  
**Company Secretary**

Particulars	Note No.	31.03.2012 Amt in Rs.	31.03.2011 Amt in Rs.
<b>I. Revenue from operations</b>	2.12	40,310,381	6,091,010
<b>II. Other Income</b>	2.13	427,460	171,544
<b>III. Total Revenue (I+II)</b>		<b>40,737,841</b>	<b>6,262,554</b>
<b>IV. Expenses:</b>			
(a) Purchases		46,933,285	6,827,113
(b) Changes in Inventories		(8,039,146)	(5,357,231)
(c) Employee benefits expenses	2.14	1,105,460	1,479,350
(d) Finance Costs	2.15	36,649	18,355
(e) Depreciation and amortization expenses	2.6	8,665,653	8,677,012
(f) Operating and Other Expenses	2.16	4,362,702	3,118,006
<b>Total Expenses</b>		<b>53,064,603</b>	<b>14,762,606</b>
<b>V. Loss before Tax</b>		12,326,763	8,500,052
<b>VI. Tax Expenses:</b>			
(1) Current Tax		-	(71,116)
(2) Deferred Tax		-	-
<b>VII. Loss after Tax</b>		<b>12,326,763</b>	<b>8,428,936</b>
<b>VIII. Add/(Less) : Prior period adjustment</b>		<b>150,517</b>	-
<b>IX. Loss for the Period</b>		<b>12,176,246</b>	<b>8,428,936</b>
<b>X. Earning Per Equity Share:</b>			
(1) Basic		(0.25)	(0.17)
(2) Diluted		(0.25)	(0.17)

See accompanying notes forming part of the financial statements 1&2

As per our report of even date

For and on behalf of  
S. KAPOOR & ASSOCIATES  
Chartered Accountants

Sd/-  
SANJAY KAPOOR  
PROPRIETOR  
M. No. 82499

Place : New Delhi  
Date : 20.07.2012

For and On behalf of the Board of Directors

Sd/-  
ASHOK SAWHNEY  
Chairman

Sd/-  
AMAN SAWHNEY  
Director & Manager

Sd/-  
AJAY MITTAL  
Company Secretary



Particulars	Year Ended March 31, 2012	Year Ended March 31, 2011	(Rs. in Lacs)
<b>A Cash Flow from Operating Activities</b>			
Net (Loss) / Profit after tax and Extra-ordinary items	(123.27)		(84.29)
Adjustments for:			
Depreciation	86.65	86.77	
Prior Period adjustment	1.51	88.16	86.77
Operating (Loss) / Profit before working capital changes	<u>(35.11)</u>		<u>2.48</u>
<b>Adjustments for Increase In :</b>			
Inventories	(80.39)	(48.57)	
Trade and other receivables	(2.66)	-	
Loan & Advances	(321.03)	1320.63	
Trade payables and other liabilities & Provisions	(6.06)	(33.75)	
Cash generated from / (used in) operations	(410.14)		1,238.31
<b>Net Cash from / (used in) Operating Activities (A)</b>	<u>(445.25)</u>		<u>1,240.79</u>
<b>B Cash flow from Investing Activities</b>			
Purchase of Fixed Assets	-	-	-
Investments	(70.24)	(1,596.99)	(1,596.99)
<b>Net Cash from / (used in) Investing Activities (B)</b>	<u>(70.24)</u>		<u>(1,596.99)</u>
<b>C Cash flow from Financing Activities</b>	-		-
<b>Net cash from / (used in) Financing Activities (C)</b>	-	-	
Opening balance of Cash & Cash equivalents	662.29		1,018.49
Closing balance of Cash & Cash equivalents	146.80		662.29
<b>Net Increase / (Decrease) in Cash and Cash equivalents</b>	<u>(515.49)</u>		<u>(356.20)</u>
<b>Total (A) + (B) + (C)</b>	<u>(515.49)</u>		<u>(356.20)</u>

As per our report of even date

For and on behalf of  
**S. KAPOOR & ASSOCIATES**  
Chartered Accountants

Sd/-  
**SANJAY KAPOOR**  
**PROPRIETOR**  
M. No. 82499

Place : New Delhi  
Date : 20.07.2012

For and On behalf of the Board of Directors

Sd/-  
**ASHOK SAWHNEY**  
Chairman

Sd/-  
**AMAN SAWHNEY**  
Director & Manager

Sd/-  
**AJAY MITTAL**  
Company Secretary

**1. SIGNIFICANT ACCOUNTING POLICIES****1.1 (a) BASIS OF PREPARATION**

The Financial Statements are prepared under the historical cost convention, in accordance with the Indian Generally Accepted Accounting Principles (“GAAP”) and mandatory Accounting Standards issued by the Institute of Chartered Accountants of India (“ICAI”) and the provisions of the Companies Act, 1956. All income and expenditure having a material bearing on the financial statements are recognized on the accrual basis.

**(b) USE OF ESTIMATES**

The preparation of Financial Statements in conformity with GAAP requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

**1.2. REVENUE RECOGNITION**

- a) All Income & Expenditure are accounted for on accrual basis.
- b) Commodities and Securities are capitalized at cost inclusive of brokerage, Service Tax, Education Cess, Depository Charges, Securities Transaction Charges and other miscellaneous transaction charges.
- c) Interest on deployment of funds is recognized on accrual basis.

**1.3 EXPENDITURE**

Expenses are accounted for on accrual basis and provisions are made for all known losses and liabilities.

**1.4 FIXED ASSETS**

Fixed Assets are stated at cost less accumulated depreciation. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition.

**1.5 DEPRECIATION / AMORTIZATION**

Depreciation on Fixed Assets has been provided on straight line method (S.L.M.) on pro-rata basis at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956. Individual assets acquired for less than Rs.5000/- are entirely depreciated in the year of acquisition.

Intangible Assets are amortized over their respective individual estimated useful lives on straight – line basis. The Management estimates the useful live of Software as three Years.

Goodwill generated on Amalgamation has been amortized on straight –line basis over a period of five years as recommended in Accounting Standard – 14 – “Accounting for Amalgamations”

**1.6. INVENTORIES**

Inventories are valued at cost or Net Realizable Value, whichever is less on FIFO method. Cost includes purchase price, taxes and other incidental expenses, wherever applicable.

**1.7. FOREIGN CURRENCY TRANSACTIONS**

The transactions in foreign currency are accounted at the exchange rate prevailing on the date of transaction. Any exchange gains or losses arising out of the subsequent fluctuations are accounted for in the Profit & Loss account.

**1.8. TAX ON INCOME**

Current tax are measured at the amounts expected to be paid using the applicable tax rates and tax laws. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the profit & loss account in the year of change. Deferred tax assets and deferred tax liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases and operating loss carry forwards.

**1.9 INVESTMENTS**

Investments are classified into Long term and Current Investment based on the intent of the management at the time of the acquisition. Long term investments are stated at cost less provision, if any, for diminution in value of such investment other than temporary diminution. Current investments are stated at lower of cost or fair value.

**1.10 EARNING PER SHARE**

Basic Earning per share is computed using Weighted Average Number of Equity Share Outstanding during the year. Diluted Earning per share is computed using weighted Average Number of Equity and Dilutive Equity equivalent share outstanding during the year end.

**1.11 RETIREMENT BENEFITS**

- i) Company’s contribution paid/ payable during the year to provident fund, are charged to Profit & Loss Account.
- ii) Leave Encashment and Gratuity are defined benefit plans. The Company has provided for the liability at the year end as per provisions of respective Act(s).

	As at March 31, 2012 Amt. in Rs.	As at March 31, 2011 Amt. in Rs.
<b>2.1 SHARE CAPITAL</b>		
<b>AUTHORISED CAPITAL</b>		
5,25,00,000 Equity Shares of Rs.10/- each	525,000,000	525,000,000
6,00,000 Preference share of Rs.100/- each	60,000,000	60,000,000
	<b><u>585,000,000</u></b>	<b><u>585,000,000</u></b>
<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>		
4,91,48,498 Equity Shares of Rs.10/- each	491,484,980	491,484,980
	<b><u>491,484,980</u></b>	<b><u>491,484,980</u></b>

Issued, Subscribed and Paid-up Capital includes 3,83,15,941 Equity Shares of Rs. 10/- each issued fully paid-up pursuant to the scheme of arrangement (previous year 3,83,15,941)

a) **RIGHTS, PREFERENCE AND RESTRICTIONS**

The company has only one class of shares referred to as equity shares having a par value of Rs.10/- each. Holder of equity shares is entitled to one vote per share.

b) **THE RECONCILIATION OF NUMBER OF EQUITY SHARES OUTSTANDING AND AMOUNT OF SHARE CAPITAL IS SET OUT BELOW:**

	As at 31.03.2012		As at 31.03.2011	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Number of shares at the beginning	49,148,498	491,484,980	49,148,498	491,484,980
Add: Shares issued during the year	-	-	-	-
Number of shares at the end	<u>49,148,498</u>	<u>491,484,980</u>	<u>49,148,498</u>	<u>491,484,980</u>

c) **The details of shareholder holding more than 5% shares is set out below :**

Name of Shareholder	As at March 31, 2012	As at March 31, 2011
1. Mr. Gian Vijeshwar	4007112	4007112
2. Mrs. Kusum Vijeshwar	3944488	3944488
3. Mr. Monny Vijeshwar	3666800	3666800
4. Mr. Robin Vijeshwar	4058200	4058200
5. Mr. Pankaj Shrimali	4902800	4902800
6. Mrs. Madhuri Shrimali	3337200	3337200
7. Appu Ghar Entertainment Pvt. Ltd.	4717400	4717400
8. San Share Shoppe Pvt. Ltd.	3709000	3709000
9. AAS Electronics Products Pvt. Ltd.	4243600	4243600
10. United Manufacturing Co. (Delhi) Pvt. Ltd.	4120000	-
11. Palm Logistics & Automation Pvt. Ltd.	-	4120000

	As at March 31, 2012 Amt. in Rs.	As at March 31, 2011 Amt. in Rs.
<b>2.2 RESERVES AND SURPLUS</b>		
Reserves and surplus consist of the following reserves:		
(a) Capital Redemption Reserve	400,000	400,000
	<b>400,000</b>	<b>400,000</b>
(b) Securities Premium Account	76,412,986	76,412,986
	<b>76,412,986</b>	<b>76,412,986</b>
(c) Reserves & Surplus	2,336,269	2,336,269
	<b>2,336,269</b>	<b>2,336,269</b>
(d) Balance in Profit & Loss Account		
(i) Opening Balance	(35,409,554)	(26,980,619)
Add : Profit/(Loss) for the period	(12,176,246)	(8,428,936)
	<b>(47,585,800)</b>	<b>(35,409,554)</b>
	<b>31,563,455</b>	<b>43,739,701</b>
<b>2.3 OTHER LONG TERM LIABILITIES</b>		
Premium International Ltd	1,499,080	1,499,080
	<b>1,499,080</b>	<b>1,499,080</b>
<b>2.4 LONG-TERM PROVISIONS</b>		
Provisions for Gratuity	90,381	172,494
Provisions for Leave Encashment	81,811	122,096
	<b>172,192</b>	<b>294,590</b>
<b>2.5 OTHER CURRENT LIABILITIES</b>		
TDS Payable	2,809	148,510
Expenses Payable	139,081	492,843
	<b>141,890</b>	<b>641,353</b>

**2.6 FIXED ASSETS** (Amount in Rs.)

Description	Gross Block			Depreciation / Amortisation			Net Block	
	As at 1.04.2011	Additions During the Year	As at 31.03.2012	Up to 01.04.2011	During the Year	Up to 31.03.2012	As at 31.03.2012	As at 31.03.2011
<b>A. Tangible Assets:-</b>								
Leasehold Land	126,950	-	126,950	-	-	-	126,950	126,950
Computer System	871,719	-	871,719	569,035	76,331	645,366	226,353	302,684
Furniture & Fixture	1,152,995	-	1,152,995	370,572	65,952	436,524	716,471	782,422
Office Equipment	152,945	-	152,945	60,075	5,293	65,368	87,577	92,870
	<b>2,304,609</b>	<b>-</b>	<b>2,304,609</b>	<b>999,683</b>	<b>147,575</b>	<b>1,147,258</b>	<b>1,157,351</b>	<b>1,304,926</b>
<b>B. Intangible Assets:-</b>								
Goodwill	42,567,890	-	42,567,890	17,027,159	8,513,578	25,540,737	17,027,153	25,540,731
Computer Software	13,500	-	13,500	6,880	4,500	11,380	2,120	6,620
	<b>42,581,390</b>	<b>-</b>	<b>42,581,390</b>	<b>17,034,039</b>	<b>8,518,078</b>	<b>25,552,117</b>	<b>17,029,273</b>	<b>25,547,351</b>
<b>TOTAL (A+B)</b>	<b>44,885,999</b>	<b>-</b>	<b>44,885,999</b>	<b>18,033,722</b>	<b>8,665,653</b>	<b>26,699,375</b>	<b>18,186,624</b>	<b>26,852,277</b>
Previous year ( Rs.)	44,885,999	-	44,885,999	9,356,710	8,677,012	18,033,722	26,852,277	

	As at March 31, 2012 Amt. in Rs.	As at March 31, 2011 Amt. in Rs.
<b>2.7 NON- CURRENT INVESTMENTS:-</b>		
<b>Trade Investments</b>		
<b>In Equity Shares of Associate Companies - Unquoted, Fully Paid-up</b>		
19,20,000 ( Previous Year 19,20,000 ) Shares of International Amusement Limited	57,600,000	57,600,000
2,00,000 ( Previous Year 2,00,000 ) Shares of Appu Ghar Securities & Solutions Private Limited	10,000,000	10,000,000
2,91,000 ( Previous Year 2,91,000 ) Shares of Appu Ghar Entertainment Private Limited	145,500,000	145,500,000
1,87,21,313 (Previous Year Nil ) Shares of Equity Shares of United Manufacturing Co. (Delhi) Private Ltd.	188,818,000	188,818,000
	<b>401,918,000</b>	<b>401,918,000</b>
<b>In Preference Shares - Unquoted, fully paid-up</b>		
2,60,000 (Previous Year 2,00,000) Shares of NRV Infrastructure Ltd.	26,000,000	20,000,000
65,000 (Previous Year 52,000) Shares of Kaizan Lifestyle Product Private Ltd.	6,500,000	5,200,000
	<b>32,500,000</b>	<b>25,200,000</b>
<b>Investment in Capital of Partnership Firm</b>		
Network Capital Partners	1,130,855	1,442,177
	<b>1,130,855</b>	<b>1,442,177</b>
<b>Investments - Quoted</b>		
2233 (Previous Year 2233) shares of Omaxe limited (Market Value as at 31.03.2012 = Rs 3,41,426/-.)	692,230	692,230
Provision for Diminution in the value of Quoted Investment	(350,804)	(386,086)
	<b>341,426</b>	<b>306,144</b>
Aggregate of Non-Current Investments	<b>435,890,281</b>	<b>428,866,321</b>
<b>Total Market Value of Quoted Investment</b>	<b>341,426</b>	<b>306,144</b>
<b>Total Amount of Unquoted Investment</b>	<b>435,548,855</b>	<b>428,560,177</b>
<b>Total Amount of Quoted Investment</b>	<b>692,230</b>	<b>692,230</b>
<b>2.8 INVENTORIES</b>		
Inventories	15,213,377	7,174,231
	<b>15,213,377</b>	<b>7,174,231</b>
Inventories are carried at the lower of cost and net realisable value.		
<b>2.9 Trade Receivable - Unsecured - Considered Good</b>		
Debts outstanding for a period less than six months from the date they were due for payment	266,472	-
	<b>266,472</b>	<b>-</b>

	As at March 31, 2012 Amt. in Rs.	As at March 31, 2011 Amt. in Rs.
<b>2.10 CASH AND CASH EQUIVALENTS</b>		
Cash on Hand	71,256	61,161
In Fixed Deposit A/c with State Bank of Mysore	14,112,939	65,793,169
In Current Accounts	495,192	374,556
	<b>14,679,388</b>	<b>66,228,886</b>
Detail of balances in Current Account as on Balance Sheet date in the Schedule Banks:-		
HDFC Bank	20,630	20,702
Vijya Bank	83,607	83,607
ICICI Bank	88,798	99,081
State Bank of Mysore	302,157	171,166
<b>2.11 SHORT-TERM LOANS AND ADVANCES</b>		
<b>Unsecured, considered good</b>		
Interest Receivable	3,954,841	2,162,032
Tax Deducted at Source	1,686,520	6,280,842
Other loans and advances	35,000,000	95,115
	<b>40,641,360</b>	<b>8,537,989</b>
<b>2.12 REVENUE FROM OPERATIONS</b>		
Interest	5,122,401	6,091,010
Sales	35,048,066	-
Jobbing	139,914	-
	<b>40,310,381</b>	<b>6,091,010</b>
<b>2.13 OTHER INCOME</b>		
Miscellaneous Income	161,739	129,544
Dividend	265,722	42,000
	<b>427,460</b>	<b>171,544</b>
<b>2.14 EMPLOYEE BENEFIT EXPENSES</b>		
Establishment Expenses	1,014,184	1,154,040
Employer's Contribution in Provident Fund	16,832	21,240
Staff Welfare	46,325	9,480
Gratuity	15,064	172,494
Leave Encashment	13,055	122,096
	<b>1,105,460</b>	<b>1,479,350</b>
<b>2.15 FINANCE COST</b>		
Bank Charges	3,053	11,047
Interest Paid	33,596	7,308
	<b>36,649</b>	<b>18,355</b>

	As at March 31, 2012 Amt. in Rs.	As at March 31, 2011 Amt. in Rs.
<b>2.16 OPERATING AND OTHER EXPENSES</b>		
Advertisement & Business Promotion Expenses	79,333	68,114
Travelling & Conveyance	90,567	87,146
Directors Sitting Fees	120,000	120,000
AGM / EGM Expenses	133,457	121,816
<b>Rent / Hire Charges</b>	<b>144,000</b>	-
Printing and Stationery	55,570	43,136
Postage & Courier	5,478	-
Communication Expenses	78,093	79,435
Loss in Partnership firm	311,322	214,823
Fees & Subscription Charges	300,335	207,126
Professional and legal Charges	2,769,067	1,915,326
Repair and Maintenance	97,724	94,000
Electricity & Water Charges	36,380	9,945
Job Work	105,000	-
Festival Expenses	22,992	100,200
Other Expenses	13,383	56,939
	<b>4,362,702</b>	<b>3,118,006</b>

**2.17 CONTINGENT LIABILITIES**

- a) Contingent Liabilities in respect of claims against the Company not acknowledged as debts in respect of Sales Tax Rs. 12.55 Lacs Net of payment [Previous year Rs. 12.55 Lacs] (Net of payment) & others Rs. 11.46 Lacs (Previous year Rs. 11.46 Lacs).
- d) The Company has given 0.77 Lacs Equity Shares of the Tinsplate Company of India Ltd as margin against Derivative Products, having book value of Rs. 49.23 Lacs, Market Value Rs. 33.21 Lacs.

**2.18** The company has converted Equity shares of United Manufacturing Co. (Delhi) Pvt Ltd amounting to Rs. 1339.15 Lacs, Preference shares of NRV Infrastructure Ltd and Kaizen Lifestyle Products Pvt Ltd. amounting to Rs. 252 Lacs from Stock-in-trade to investments as on 31/03/2012.

**2.19 Basic and Diluted Earning Per Share pursuant to Accounting Standard-20:** (Amt. in Rs.)

PARTICULARS	2011-2012	2010-2011
Loss for the year (Rs.)	12,176,246	8,500,052
Weighted Average number of equity shares (nos.)	491,48,498	491,48,498
Nominal value of equity share ( Rs.)	10	10
Earning per Share (basic & diluted )	(0.25)	(0.17)

**2.20 Amount paid / payable to Auditors:** (Rs. In Lacs)

PARTICULARS	Current Year	Previous Year
Audit Fees	0.44	0.40
In other capacity:		
- Tax related work	0.25	0.15
- Certification work	-	

**2.21 RELATED PARTY TRANSACTIONS**

As per the Accounting Standard -18 “Related Party Disclosures”, issued by the Institute of Chartered Accountants of India.

The related parties of the Company as on 31.03.2012 are as follows:

- a) **Associates**  
Network Capital Partners
- b) **Key Management Personnel**  
Ajay Mittal
- c) **Companies controlled by key management personnel with whom transactions have taken Place during the year**  
NIL

(Rs. In Lacs)

Description	Associates		Directors	
	This Year	Previous Year	This Year	Previous Year
Sitting Fee paid to all Directors	-		1.20	1.20
Investment made	Nil	1,346.17	-	-
Professional / Advisory Charges inclusive of charges paid for new ventures ( Mr Pankaj Shrimali)			33.40	60.67
Closing Balance ( DR )		-	-	-
Closing Balance ( CR )	-	-	-	-

- 2.22** The Company has identified suppliers covered under the “Interest on delayed payment to small scale and Ancillary undertaking Ordinance, 1992 promulgated on 23rd September, 1992 and has ascertained the Liability in this regard as NIL.

**2.23 SEGMENT REPORTING**

During the year under reference, Company’s revenue from operations includes sale of commodities, premium earned, sale of securities and interest on fixed deposit/others, which fall under one segment. There was no other business segment and therefore segment wise reporting as per AS – 17 issued by the Institute of Chartered Accountant of India is not relevant

**2.24 DEFERRED TAX**

The Company has substantial carried forward business losses and unabsorbed depreciation, therefore, it is unlikely to have taxable profits in near future, hence it is not considered necessary to create deferred tax assets in accordance with Accounting Standard-22 issued by the Institute of Chartered Accountants of India.

- 2.25** Previous Year’s figures have been regrouped / rearranged wherever necessary.

As per our report of even date

**For and on behalf of**  
**S. KAPOOR & ASSOCIATES**  
Chartered Accountants

Sd/-  
**SANJAY KAPOOR**  
PROPRIETOR  
M. No. 82499

Place : New Delhi  
Date : 20.07.2012

**For and On behalf of the Board of Directors**

Sd/-  
**ASHOK SAWHNEY**  
Chairman

Sd/-  
**AMAN SAWHNEY**  
Director & Manager

Sd/-  
**AJAY MITTAL**  
Company Secretary



# NETWORK LIMITED

Registered Office : W-41, Okhla Industrial Area, Phase-II, New Delhi - 110 020

## ATTENDANCE SLIP

Twenty Third Annual General Meeting 27<sup>th</sup> September, 2012

DPID No. \_\_\_\_\_ CLIENT ID No. \_\_\_\_\_ FOLIO No. \_\_\_\_\_  
(Electronic Mode) (Electronic Mode) (Physical Mode)  
(Please mention both DP ID & Client ID Nos.) (Please mention the Folio No.)

I, certify that I am a registered Member/Proxy of the registered Member of the Company.

I, hereby, record my presence at the Twenty Third Annual General Meeting of the Company held on Thursday, the 27<sup>th</sup> September, 2012 at MPCU Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Civil Lines, Delhi - 110054 at 10.30 A.M.

.....  
Member's/Proxy's Name in BLOCK LETTERS

.....  
Member's/Proxy's Signature

Note : Please fill in this attendance slip and hand over at the entrance of the Meeting Hall.

**FOR THE KIND ATTENTION OF SHAREHOLDERS**  
No Gift shall be distributed by the Company at the AGM

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# NETWORK LIMITED

Registered Office : W-41, Okhla Industrial Area, Phase-II, New Delhi - 110 020

## PROXY FORM

Twenty Third Annual General Meeting 27<sup>th</sup> September, 2012

DPID No. \_\_\_\_\_ CLIENT ID No. \_\_\_\_\_ FOLIO No. \_\_\_\_\_  
(Electronic Mode) (Electronic Mode) (Physical Mode)

I/We ..... of .....  
being a Member(s) of the above named Company, hereby appoint ..... of  
..... or failing  
him/her ..... of .....

..... as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Thursday, 27<sup>th</sup> September, 2012 at MPCU Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Civil Lines, Delhi - 110054 at 10.30 A.M. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012  
Signature of Proxy \_\_\_\_\_ Signature of the Member \_\_\_\_\_

Re. 1/-  
Revenue  
Stamp

**Note :** The proxy form in order to be effective must be duly stamp, completed, signed and must be deposited at the registered office of the Company not less than 48hrs before the time of the Meeting.

