



24th ANNUAL REPORT 2012-2013

BOOK POST

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NETWORK LIMITED
W-41, Okhla Industrial Area, Phase-II
New Delhi - 110 020

NETWORK LIMITED

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 : 011-26389611 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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TO THE MEMBERS OF
NETWORK LIMITED

Your Directors have pleasure in presenting their 24th Annual Report of the Company together with the Audited Accounts of the Company for the Financial Year ended 31st March, 2013.

FINANCIAL HIGHLIGHTS

The highlights of Financial Results for the Financial Year ended 31st March, 2013 in comparison to the Financial Year ended 31st March, 2012 are as follows:

(Rs in Lacs)

PARTICULARS	31 st March 13	31 st March 12
Revenue from Operations	420.85	403.10
Total Income	422.58	407.38
Total Expenditure	445.72	442.48
Profit/(Loss) before depreciation	(23.13)	(35.10)
Depreciation	86.91	86.66
Profit / (Loss) before Tax	(110.04)	(123.27)
Provision for taxation	-	-
Profit / (Loss) after Tax	(110.04)	(123.27)
Add:- Profit/(Loss) brought forward	(475.86)	(354.09)
Prior Period Adjustment	(3.33)	1.51
Profit/(Loss) carried forward to Balance Sheet	(589.23)	(475.85)

ECONOMIC SCENARIO

According to the latest estimate, Indian economy grew by 5% in FY 2013, reflecting lower than expected growth in both industry and service sectors. Inflation also was at elevated levels. However with commodity and crude oil prices on the decline from the peak and with various policy initiatives coming through, the economy is estimated to grow by around 6% in FY 2014 with lower inflation. Your Company's business performance was adversely affected by weak market sentiment resulting in losses.

OPERATIONAL REVIEW, OPPORTUNITIES AND THREATS

During the financial year under review, the company incurred loss after tax Rs.110.04 Lacs against loss of 123.27 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 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. 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 derivative products would reasonably perform in 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. The financial market also covers hedging to protect against excessive losses and to avoid the uncertainty associated with future exchange rate movements more particularly associated with the sharp depreciation of the local currency which has been the case in the recent past.

DIVIDEND

In view of net loss incurred by the Company, your directors do not recommend any dividend for the Financial Year ended 31st March, 2013.

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.

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. Ashok Sawhney and Mr. Avinash Chander Sharma, 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. Ashok Sawhney and Mr. Avinash Chander Sharma as Directors of the Company. Brief resume of Mr. Ashok Sawhney and Mr. Avinash Chander Sharma, 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 are 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 are 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: 29.07.2013

Place: New Delhi

ASHOK SAWHNEY
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 2012-13, (Four) meetings of the Board of Directors were held on 15.05.2012, 20.07.2012, 22.10.2012 & 21.01.2013. 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. Ashok Sawhney and Mr. Avinash Chander Sharma seeking appointment at the Annual General Meeting are 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 2012-2013 on the following dates: 15.05.2012, 20.07.2012, 22.10.2012 & 21.01.2013.

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 proving 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 15.05.2012, 20.07.2012, 22.10.2012 & 21.01.2013.

(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 31st March., 2013

6. ANNUAL GENERAL MEETINGS

Financial Year	Location	Date	Time	No. of Special Resolution (s) passed
2011-12	MPCU Shah Auditorium, Shree Delhi Gujrati Samaj Marg, Civil Lines, New Delhi – 110 054	27.09.2012	10.30 A.M	One
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

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 are set out in Note No. 2.19 of Notes to 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 No
investors or to analyst

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

9. GENERAL SHAREHOLDERS INFORMATION

i) Annual General Meeting

Day & Date	Time	Venue
Wednesday, 18 th September, 2013	11.30 A.M.	MPCU Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Delhi – 110 054

ii) Financial Calendar

Financial Reporting for the quarter ended 30 th June, 2013	29.07.2013
Financial Reporting for the quarter ended 30 th September, 2013	within 45 days from the end of the quarter
Financial Reporting for the quarter ended 31 st December, 2013	within 45 days from the end of the quarter
Audited Results for the financial year ended 31 st March, 2014	within sixty days from the end of last quarter 31 st March, 2014

iii) Dates of Book Closure

12th September, 2013 to 18th September, 2013
(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 2013-2014 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 – 12	7.20	6.65	Oct-12	6.74	5.35
May – 12	7.50	5.87	Nov-12	5.70	4.57
Jun – 12	7.09	5.32	Dec-12	4.78	4.04
Jul – 12	7.23	6.63	Jan-13	4.92	4.00
Aug – 12	7.74	7.00	Feb-13	4.20	3.16
Sep – 12	8.00	6.29	March-13	3.46	2.61

Source: 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 Agents at the address given below:

Name	:	Alankit Assignments Limited
Address	:	Alankit House, 2E/21 Jhandewalan Extn., New Delhi-110 055
Telephone No	:	011-42541955
Fax No.	:	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, 2013:**

Category		No. of share held	% of shareholding
A	Promoter's holding		
1.	Promoters & Promoter Group	29,751,906	60.53
2.	Persons acting in concert	-	-
	Sub – Total (A)	29,751,906	60.53
B.	Non - Promoters Holding		
3.	Institutional Investors	Nil	Nil
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
	Sub – Total (B)	8300	0.02
4.			
a.	Private Corporate Bodies	14,739,792	29.99
b.	Resident Indian Public	4,633,082	9.43
c.	NRIs/ OCBs	15418	0.03
	Sub – Total	19,388,292	39.45
	Grand Total	49,148,498	100

xi) **Dematerialization of shares and liquidity:** As on 31st March, 2013 about 96.59% 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 21st May, 2013. 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, 2013, 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.

1, 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 : 29.07.2013

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: 29.07.2013
Place: New Delhi

ASHOKSAWHNEY
CHAIRMAN

Sd/-
AVINASH CHANDER SHARMA
DIRECTOR

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 31st March, 2013 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 31st March, 2013 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 : 29.07.2013
Place : New Delhi

Sd/-
AMAN SAWHNEY
DIRECTOR & MANAGER

Sd/-
AJAY MITTAL
COMPANY SECRETARY

**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 31st March, 2013, 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 : 29-07-2013
PLACE : New Delhi

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

TO,

**THE MEMBERS OF
NETWORK LIMITED**

Report on Financial Statements

We have audited the accompanying financial statements of **NETWORK LIMITED** ("the company") which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss Account and the Cash Flow Statement for the year ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give true and fair view of the financial position, financial performance and cash flow of the company in accordance with Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 (the "Act") and in accordance with the accounting principles generally accepted in India. The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risks assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, **with attention drawn to note no. 2.20**

regarding investment made in Kaizen Lifestyle Products Pvt Ltd during the year, wherein our opinion is not qualified in respect of the same, give the information required by the Act 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 31st March, 2013;
- b) in the case of the Statement of Profit and Loss Account, of the loss for the period ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

Report on other legal and Regulatory Requirement

1. As required by the **Companies (Auditor's Report) Order, 2003** (the "order") issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956, we give in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by Section 227(3) of the Act, 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, the Statement of Profit and Loss Account and the 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 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For and on behalf of
S. Kapoor & Associates
Chartered Accountants
(Registration No. 003528M)

Sd/-

Sanjay Kapoor

F.C.A. (Proprietor)

Membership No.82499

**Place : New Delhi
Dated : 21-05-2013**

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements' Section 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 31st March 2013 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 custom duty, wealth tax, excise duty and cess which have not

- been deposited on account of any dispute. However, income tax authorities have raised demand of Rs. 14.34 Lacs against which the company is in appeal. Further, sales tax authorities had raised demands of Rs.19.07 Lacs against which Rs.6.52 Lacs has been deposited in earlier years 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. 589.22 Lacs, which is less than Fifty percent of its Net worth. The Company has incurred the cash losses during the financial year covered by the audit and in the immediately preceding financial year also.
 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.
 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
(Registration No. 003528M)

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

Place: New Delhi
Dated: 21-05-2013

Particulars	Note No.	As at 31.03.2013 Amt in Rs.	As at 31.03.2012 Amt in Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2.1	491,484,980	491,484,980
(b) Reserves & Surplus	2.2	20,226,386	31,563,455
(2) Non-Current Liabilities			
(a) Other Long term liabilities	2.3	1,499,080	1,499,080
(b) Long-Term provisions	2.4	229,252	172,192
(3) Current Liabilities & Provisions			
(a) Current Liabilities & Provisions	2.5	110,650	157,795
TOTAL		<u>513,550,348</u>	<u>524,877,502</u>
II. ASSETS			
(1) Non-Current Assets :			
(a) Fixed Assets	2.6		
(i) Tangible assets		1,018,497	1,157,351
(ii) Intangible assets		8,513,574	17,029,273
(b) Non-Current Investments	2.7	439,531,966	435,890,281
(2) Current Assets :			
(a) Inventories	2.8	9,440,210	15,213,377
(b) Trade Receivable	2.9	47,040	266,472
(c) Cash and Cash Equivalents	2.10	9,879,402	14,679,388
(d) Short-Term Loans and Advances	2.11	45,119,659	40,641,360
TOTAL		<u>513,550,348</u>	<u>524,877,502</u>

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 : 21.05.2013

For and On behalf of the Board of Directors

Sd/-
ASHOK SAWHNEY
Chairman

Sd/-
AMAN SAWHNEY
Manager & Director

Sd/-
AJAY MITTAL
Company Secretary

Particulars	Note No.	31.03.2013 Amt in Rs.	31.03.2012 Amt in Rs.
I. Revenue from operations	2.12	42,084,821	40,310,381
II. Other Income	2.13	173,623	427,460
III. Total Revenue (I+II)		42,258,444	40,737,841
IV. Expenses:			
(a) Purchases		33,171,937	46,933,285
(b) Changes in Inventories		5,773,167	(8,039,146)
(c) Employee benefit expenses	2.14	1,342,079	1,105,460
(d) Depreciation and amortization expenses	2.6	8,691,053	8,665,653
(e) Operating and Other Expenses	2.15	4,284,650	4,399,352
Total Expenses		53,262,887	53,064,604
V. Loss before Tax		11,004,443	12,326,763
VI. Tax Expenses:			
(1) Current Tax		-	-
(2) Deferred Tax		-	-
VII. Loss after Tax		11,004,443	12,326,763
VIII. Add/(Less) : Prior period adjustment		332,625	150,517
IX. Loss for the Period		11,337,068	12,176,246
X. Earning Per Equity Share:			
(1) Basic		(0.23)	(0.25)
(2) Diluted		(0.23)	(0.25)

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 : 21.05.2013

For and On behalf of the Board of Directors

Sd/-
ASHOK SAWHNEY
Chairman

Sd/-
AMAN SAWHNEY
Manager & Director

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 fixed deposit/loans & advances 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, 2013 Amt. in Rs.	As at March 31, 2012 Amt. in Rs.
2.1 SHARE CAPITAL		
AUTHORISED CAPITAL		
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
	<u>585,000,000</u>	<u>585,000,000</u>
ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
4,91,48,498 Equity Shares of Rs.10/- each	491,484,980	491,484,980
	<u>491,484,980</u>	<u>491,484,980</u>

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 (AS CERTIFIED BY THE MANAGEMENT) IS SET OUT BELOW:**

	As at 31.03.2013		As at 31.03.2012	
	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, 2013	As at March 31, 2012
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 Pvt. Ltd.	4243600	4243600
10. United Manufacturing Co. (Delhi) Pvt. Ltd.	4120000	4120000

	As at March 31, 2013 Amt. in Rs.	As at March 31, 2012 Amt. in Rs.
2.2 RESERVES AND SURPLUS		
Reserves and surplus consist of the following reserves:		
(a) Capital Redemption Reserve	400,000	400,000
	400,000	400,000
(b) Securities Premium Account	76,412,986	76,412,986
	76,412,986	76,412,986
(c) Reserves & Surplus	2,336,269	2,336,269
	2,336,269	2,336,269
(d) Balance in Profit & Loss Account		
(i) Opening Balance	(47,585,801)	(35,409,555)
Add : Profit/(Loss) for the period	(11,337,068)	(12,176,246)
	(58,922,869)	(47,585,801)
	20,226,386	31,563,455
2.3 OTHER LONG TERM LIABILITIES		
Premium International Ltd	1,499,080	1,499,080
	1,499,080	1,499,080
2.4 LONG-TERM PROVISIONS		
Provisions for Gratuity	121,598	90,381
Provisions for Leave Encashment	107,654	81,811
	229,252	172,192
2.5 OTHER CURRENT LIABILITIES & PROVISIONS		
Audit Fees Payable	35,393	25,281
TDS Payable	-	2,809
Expenses Payable	29,757	113,800
Other Provisions	45,500	15,905
	110,650	157,795

2.6 FIXED ASSETS

(Amount in Rs.)

Description	Gross Block			Depreciation / Amortisation			Net Block	
	As at 1.04.2012	Additions During the Year	As at 31.03.2013	Up to 01.04.2012	During the Year	Up to 31.03.2013	As at 31.03.2013	As at 31.03.2012
A. Tangible Assets:-								
Leasehold Land	126,950	-	126,950	-	-	-	126,950	126,950
Computer System	871,719	36,500	908,219	645,366	104,131	749,497	158,722	226,353
Furniture & Fixture	1,152,995	-	1,152,995	436,524	65,951	502,475	650,520	716,471
Office Equipment	152,945	-	152,945	65,368	5,272	70,640	82,305	87,577
	2,304,609	36,500	2,341,109	1,147,258	175,354	1,322,612	1,018,497	1,157,351
B. Intangible Assets:-								
Goodwill	42,567,890	-	42,567,890	25,540,737	8,513,579	34,054,316	8,513,574	17,027,153
Computer Software	13,500	-	13,500	11,380	2,120	13,500	-	2,120
	42,581,390	-	42,581,390	25,552,117	8,515,699	34,067,816	8,513,574	17,029,273
TOTAL (A+B)	44,885,999	36,500	44,922,499	26,699,375	8,691,053	35,390,428	9,532,071	18,186,624
Previous year (Rs.)	44,885,999	-	44,885,999	18,033,722	8,665,653	26,699,375	18,186,624	

	As at March 31, 2013 Amt. in Rs.	As at March 31, 2012 Amt. in Rs.
2.7 NON- CURRENT INVESTMENTS:-		
Trade Investments		
In Equity Shares of Associate Companies - Unquoted, Fully Paid-up		
19,20,000 (Previous Year 19,20,000) Equity Shares of International Amusement Limited	57,600,000	57,600,000
2,00,000 (Previous Year 2,00,000) Equity Shares of Appu Ghar Securities & Solutions Private Limited	10,000,000	10,000,000
2,91,000 (Previous Year 2,91,000) Equity Shares of Appu Ghar Entertainment Private Limited	145,500,000	145,500,000
1,87,21,313 (Previous Year 1,87,21,313) Equity Shares of United Manufacturing Co. (Delhi) Private Ltd.	188,818,000	188,818,000
80,000 (Previous Year Nil) Equity Shares of Kaizen Lifestyle Products Pvt Ltd	4,000,000	-
	405,918,000	401,918,000
In Preference Shares - Unquoted, fully paid-up		
2,60,000 (Previous Year 2,60,000) Preference Shares of NRV Infrastructure Ltd.	26,000,000	26,000,000
65,000 (Previous Year 65,000) Preference Shares of Kaizen Lifestyle Product Private Ltd.	6,500,000	6,500,000
	32,500,000	32,500,000
Investment in Capital of Partnership Firm		
Network Capital Partners	1,113,966	1,130,855
	1,113,966	1,130,855
Investments - Quoted		
Nil (Previous Year 2233) shares of Omaxe limited	-	692,230
Provision for Diminution in the value of Quoted Investment	-	(350,804)
	-	341,426
Aggregate of Non-Current Investments	439,531,966	435,890,281
Total Market Value of Quoted Investment	-	341,426
Total Amount of Unquoted Investment	439,531,966	435,548,855
Total Amount of Quoted Investment	-	692,230
2.8 INVENTORIES		
Inventories	9,440,210	15,213,377
	9,440,210	15,213,377
Inventories are carried at the lower of cost or net realisable value.		
2.9 Trade Receivable - Unsecured - Considered Good		
Debts outstanding for a period less than six months from the date they were due for payment	47,040	266,472
	47,040	266,472

	As at March 31, 2013 Amt. in Rs.	As at March 31, 2012 Amt. in Rs.
2.10 CASH AND CASH EQUIVALENTS		
Cash on Hand	136,455	71,256
In Fixed Deposit A/c with State Bank of Mysore	9,252,373	14,112,939
In Current Accounts	490,573	495,192
	<u>9,879,402</u>	<u>14,679,388</u>
Detail of balances on Current Account as on Balance Sheet date in the Schedule Banks:-		
HDFC Bank	20,630	20,630
Vijaya Bank	83,607	83,607
ICICI Bank	42,310	88,798
State Bank of Mysore	344,026	302,157
2.11 SHORT-TERM LOANS AND ADVANCES		
Unsecured, considered good		
Interest Receivable	8,173,290	3,954,841
Tax Deducted at Source	1,886,912	1,686,520
Other loans and advances	35,059,457	35,000,000
	<u>45,119,659</u>	<u>40,641,360</u>
2.12 REVENUE FROM OPERATIONS		
Sales	36,367,895	35,187,980
Interest	5,716,926	5,122,401
	<u>42,084,821</u>	<u>40,310,381</u>
2.13 OTHER INCOME		
Miscellaneous Income		161,739
Dividend	173,623	265,722
	<u>173,623</u>	<u>427,460</u>
2.14 EMPLOYEE BENEFIT EXPENSES		
Establishment Expenses	1,241,020	1,014,184
Employer Contribution in Provident Fund	10,645	16,832
Staff welfare	33,354	46,325
Gratuity	31,217	15,064
Leave Encashment	25,843	13,055
	<u>1,342,079</u>	<u>1,105,460</u>

	As at March 31, 2013 Amt. in Rs.	As at March 31, 2012 Amt. in Rs.
2.15 OPERATING AND OTHER EXPENSES		
Advertisement	65,158	79,333
Travelling & Conveyance	124,898	90,567
Audit Fees	39,326	28,090
Business Promotion Exp	21,566	-
AGM Expenses	155,937	133,457
Rent / Hire Charges	174,000	144,000
Printing and Stationery	38,490	55,570
Postage & Courier	4,844	5,478
Communication Expenses	48,596	78,093
Loss in Partnership firm	16,889	311,322
Fees & Subscription Charges	272,443	300,335
Professional and legal Charges	2,914,090	2,860,977
Repair and Maintenance	157,877	97,724
Electricity & Water Charges	52,561	36,380
Job Work	48,000	105,000
Festival Expenses	57,577	22,992
Loss on sale of Investment	8,721	-
Bank Charges	1,035	3,053
Other Expenses	82,642	46,980
	4,284,650	4,399,352

2.16 CONTINGENT LIABILITIES

a) Claims against the Company not acknowledged as debts in respect of:-	For the Year 2012-13 In Lacs	Previous Year 2011-12 in Lacs
Sales Tax	12.55	12.55
Income Tax	14.34	-
Others	23.08	11.46

b) The Company has given 87,000 Equity Shares of Sterlite Technology and 11,388 Equity Shares of Uflex Ltd as margin against Derivative Product and commodities.

2.17 Basic and Diluted Earnings per Share pursuant to Accounting Standard-20:

(Amount in Rs.)

PARTICULARS	2012-13	2011-12
Loss for the year (Amount in Rs.)	11,337,068	12,326,763
Weighted Average number of equity shares (nos.)	49148498	49148498
Nominal value of equity share (Rs.)	10	10
Earning per Share (basic & diluted)	(0.23)	(0.25)

2.18 Amount paid / payable to Auditors:

(Rs. In Lacs)

PARTICULARS	Current Year	Previous Year
Audit Fees	0.45	0.44
Certification work	0.35	0.25

2.19 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 31.03.2013 are as follows:

a) **Associates**

Network Capital Partners

b) **Key Management Personnel**

Mr. Ajay Mittal - Company Secretary

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	-		Nil	1.20
Investment made in Kaizen Lifestyle Products Pvt Ltd	40	Nil	-	-
Advances given to United Manufacturing Co. (Delhi) Pvt Ltd (including interest due)	431.42	387.87		
Professional / Advisory Charges inclusive of charges paid for new ventures (Mr. Pankaj Shrimali)			26.97	33.40
Closing Balance (DR)	431.42	387.87	-	-
Closing Balance (CR)	-	-	-	-

2.20 Pursuant to the resolution passed by the Shareholders in Company's Annual General Meeting held on 23.09.2011, the company further invested a sum of Rs. 40 Lacs (Rupees Forty Lacs only) in Kaizen Lifestyle Products Pvt Ltd, presently an investment company. The Said investment consists of 80,000 Equity Shares of Rs.10/- each allotted at premium of Rs.40/- per share which, in view of the management of the company, is the fair value of Equity Share of Kaizen Lifestyle Products Pvt Ltd

2.21 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.

2.22 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. 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

2.23 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.

2.24 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 : 21.05.2013

For and On behalf of the Board of Directors

Sd/-

ASHOK SAWHNEY

Chairman

Sd/-

AMAN SAWHNEY

Manager & Director

Sd/-

AJAY MITTAL

Company Secretary

NETWORK LIMITED

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

ATTENDANCE SLIP

Twenty Fourth Annual General Meeting 18th September, 2013

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 Fourth Annual General Meeting of the Company held on Wednesday, the 18th September, 2013 at MPCU Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Civil Lines, Delhi - 110054 at 11.30 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

NETWORK LIMITED

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

PROXY FORM

Twenty Fourth Annual General Meeting 18th September, 2013

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 Wednesday, 18th September, 2013 at MPCU Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Civil Lines, Delhi - 110054 at 11.30 A.M. and at any adjournment thereof.

Signed this _____ day of _____ 2013
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.

