

Date: 25/8/14

FORM A


(Pursuant to clause 31(a) of the Listing Agreement)

1.	Name of the company	Network Limited
2.	Annual financial statements for the year ended	March 31 <sup>st</sup> 2014
3.	Type of Audit observation	Un-qualified Audit Report
4.	Frequency of observation	Not Applicable

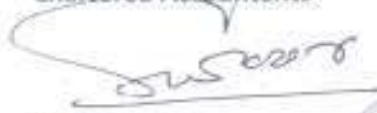
FOR NETWORK LIMITED

  
Aman Sawhney  
Director/Manager

FOR NETWORK LIMITED

  
Ashok Kumar  
Chief Financial Officer

FOR S. KAPOOR & ASSOCIATES  
Chartered Accountants

  
Sanjay Kapoor  
Proprietor  
M. No. 82499



FOR NETWORK LIMITED

  
Vijay Kalra  
Chairman of Audit Committee

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the Members of Network Limited will be held on Wednesday, 24<sup>th</sup> day of September, 2014 at 02.00 P.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 financial statements of the Company for the year ended March 31, 2014, including the audited Balance Sheet as at March 31, 2014, the statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Pankaj Shrimali (DIN – 00013142), who retires by rotation and, being eligible seeks re-appointment.
3. To appoint a director in place of Mr. Aman Sawhney (DIN – 00323283), who retires by rotation and, being eligible seeks re-appointment.
4. To appoint auditors and to fix their remuneration S. Kapoor & Associates, Chartered Accountants (Firm Registration Number FRN 003528N), 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 an Ordinary Resolution:  
“RESOLVED THAT pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the Companies Act, 2013, Mr. Umong Sethi (DIN: 05330983), who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. August 6<sup>th</sup>, 2014 and who holds office until the date of ensuing Annual General Meeting, in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying his intention to propose Mr. Umong Sethi as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for 5 consecutive years upto March 31, 2019, not liable to retire by rotation.”
6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
“RESOLVED THAT pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the Companies Act, 2013, Mrs. Neena Sethi (DIN: 06936951), who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. August 6<sup>th</sup>, 2014 and who holds office until the date of ensuing Annual General Meeting, in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying his intention to propose Mrs. Neena Sethi as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for 5 consecutive years upto March 31, 2019, not liable to retire by rotation.”
7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
“RESOLVED THAT pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the Companies Act, 2013, Mr. Gauri Shanker Goyal (DIN: 00601765) whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying his intention to propose Mr. Gauri Shanker Goyal as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for 5 consecutive years upto March 31, 2019, not liable to retire by rotation.”
8. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
“RESOLVED THAT pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the Companies Act, 2013, Mr. Vijay Kalra (DIN: 01062644) whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying his intention to propose Mr. Vijay Kalra as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for 5 consecutive years upto March 31, 2019, not liable to retire by rotation.”

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

“RESOLVED THAT in supersession of the Resolution adopted at the Annual General Meeting held on 18<sup>th</sup> September, 2013 and pursuant to the provisions of Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules notified thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the members be and is hereby accorded to and authority conferred upon the Board of Directors of the Company for borrowing any sum or sums of monies for and on behalf of the Company from time to time from one or more persons, firms, bodies corporate or bankers or financial institutions or from others by way of advances, deposits, loans or otherwise withstanding that the sum or sums or monies so borrowed together with the monies, if any, already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid up capital of the Company and its free reserves which have not been set apart for any specific purpose so that the total amount upto which the monies may be so borrowed by the Board of Directors and outstanding at any time shall not exceed Rs. 15.00 Crores (Rupees Fifteen Crores only) on account of the principal.”

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

“RESOLVED THAT pursuant to the provision of Section 180(1)(a) and any other applicable provision of the Companies Act, 2013 and the rules notified thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and in supersession of all earlier Resolutions passed in this regard, the Board of Directors and /or any committee thereof and / or the person who is delegated authority by such Board / committee be and is hereby authorized to create such mortgages, charges, hypothecations and any other encumbrances, in addition to the existing mortgages, charges, hypothecations and other encumbrances created by the Company on all or any part of the immovable and / or movable properties, current and/ or fixed assets, tangible and / or intangible assets, or stock in trade , work in progress and debts and advances, claims of the Company wheresoever situate, present and future in favour of Indian or Foreign Financial Institutions, Banks, Trustees for the holders of debentures/bonds and / or other instruments which may be issued on private placement basis or otherwise and other lending institution or organization or Body Corporate or such other person from whom the Company has borrowed or proposes to borrow money by way of Term Loan, Working Capital Loans including Fund based and Non-fund based limits, External Commercial Borrowings, Commercial Papers or any other financial instrument permitted by the appropriate authorities from time to time together with interest, cost, charges and other incidental expenses in terms of Agreements entered /to be entered into within the overall borrowing limit fixed pursuant to Section 180(1)(c) of the Companies Act, 2013”

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

“RESOLVED THAT pursuant to the provisions of section 42 of The Companies Act, 2013 read with rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and any other applicable provisions of The Companies Act, 2013 the Board of Directors of the Company be and are hereby authorized to make offer(s) or invitation(s) to subscribe the securities including but not limited to secured/unsecured, redeemable, non-convertible Bonds/ Debentures/ Preference shares to the extent of Rs 15.00 Crore (Rupees Fifteen Crores only) in one or more tranches during a period of one year from the date of passing of this Resolution, through private placement in conformity with rules, regulation and enactments as applicable from time to time subject to the total borrowings of the company as the case may be, not exceeding the borrowing powers approved by the shareholders under Section 180(1)(c) of Companies Act 2013 and to do, from time to time, all such acts, deeds and things as may be deemed necessary in respect of said issue including but not limited to the face value, issue price, issue size, timing, amount, security, coupon/interest rate(s), yield, listing, if need be, allotment and other terms and conditions of issue as they may, in their absolute discretion, deem necessary keeping in view of the expediency of the business.”

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof), be and is hereby authorised to do all such acts, deeds and things and give such directions as may be deemed necessary or expedient, to give effect to this resolution.

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

“RESOLVED THAT pursuant to Section 186 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 as may be amended, from time to time and Articles of Association of the Company, approval of the shareholders of the Company be and is hereby given to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall include any committee constituted/ to be

constituted by the Board for exercising the powers conferred on the Board by this resolution) to make investments through direct subscription or market purchase or off-market negotiated deals on such terms as may be decided by the Board, of the funds of the Company in excess of 60% of the Paid-up Share Capital and free reserves of the Company or 100% of the free reserves of the Company upto an amount of Rs. 15.00 Crs (Rupees Fifteen Crores Only), in the shares, derivatives products, debentures of Companies listed on the Bombay Stock Exchange (BSE) and /or the National Stock Exchange (NSE) having market capitalization of more than Rs. 25 Crs. (Rupees Twenty Five Crores only) on the date of the investment, Commodities, Derivatives, Future & Options, Swaps, Currency Trading, Investment in units of Mutual Funds (Units of Mutual Funds registered with SEBI either in the Debt funds and/ or Balanced funds and/ or Equity funds and/ or MIP(s) and/ or G-sec funds and / or Hybrid funds either in open ended or close ended either cumulative or non-cumulative or any combination thereof and also mutual funds of Nationalized Banks/ Scheduled Banks/ Foreign Banks/ UTI and/ or any other Corporate Bodies formed under the Act of the parliament), Insurance Products, Private Equity, Money Market Instruments and other incidental business and also entering into partnership/ joint ventures etc. for the said purposes.

**RESOLVED FURTHER THAT** without prejudice to above, investments within the limits not requiring the approval of shareholders, shall be done by Board of Directors in the manner it may think beneficial and in the interest of the Company.

**RESOLVED FURTHER THAT** the aforesaid limit of Rs. 15 Crs. (Rupees Fifteen Crores only) of investments is in addition to the limit of investments, if any, earlier approved by the members under section 372A of the Companies Act, 1956.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and things as the Board may in its absolute discretion consider necessary, proper, desirable or appropriate to give effect to this resolution.”

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

“**RESOLVED THAT** pursuant to Section 186 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 as may be amended, from time to time and Articles of Association of the Company, approval of the shareholders of the Company be and is hereby given to the Board of Directors for giving any loan to any person or other body corporate, giving any guarantee or providing security in connection with a loan to any other body corporate or person and/ or acquiring whether by way of subscription, purchase or otherwise, the securities of any other body corporate up to an amount, the aggregate outstanding of which should not exceed, at any given time, Rs.15.00 Crores (Rupees Fifteen Crores only) in continuity of the resolutions earlier passed under the erstwhile provisions of the Companies Act 1956

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to negotiate and decide, from time to time, terms and conditions, execute necessary documents, papers, agreements etc. for investments to be made, loans / guarantees to be given and securities to be provided to any person and/ or anybody corporate, including bodies corporates under merger, to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary, proper or desirable, settle any question, difficulty or doubt that may arise in this regard and to delegate all or any of these powers to any Committee of Directors or Managing Director or Whole-time Director or Director or officer of the Company or any other person.”

By Order of the Board  
For Network Limited

Place : New Delhi  
Date : 06.08.2013

Sd/-  
Aman Sawhney  
Manager & Director

NOTES:

1. The Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of Special Business as set out above to be transacted at the Meeting is annexed hereto and forms part of this Notice.
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. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY AT W-39, OKHLA INDUSTRIAL AREA, PHASE-II, NEW DELHI-110020, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A BLANK PROXY FORM IS ATTACHED WITH THE ANNUAL REPORT. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY.
3. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. The Register of Members and Share Transfer Books of the Company shall remain closed during the Book Closure period, i.e., from 15<sup>th</sup> September, 2014 to 24<sup>th</sup> September, 2014, both days inclusive.
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. Members are requested to notify any change in their address to the Company's Registrar & Share Transfer Agent, quoting their folio number.
7. Pursuant to the provisions of the Companies Act, 2013 read with the Rules framed thereunder, the Company may send notice of general meeting, directors' report, auditors' report, audited financial statements and other documents through electronic mode. Further, pursuant to the first proviso to the Rule 18 of the Companies (Management and Administration) Rule, 2014, the Company shall provide an advance opportunity at least once in a financial year to the members to register their e-mail address and changes therein. In view of the same, Members are requested to kindly update their e-mail address with depository participants in case of holding shares in demat form. If holding shares in physical form, Members are requested to inform their e-mail ID to the Company.
8. Electronic copy of the Notice of the 25<sup>th</sup> Annual General Meeting of the Company inter-alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the aforesaid documents are being sent by the permitted mode.
9. Voting through electronic means : In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 25<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL).

The instructions for e-Voting are as under:

- a. NSDL shall be sending the User ID and Password; to those members whose shareholding is in the dematerialized format and whose email addresses are registered with the Company/Depository Participants. For members who have not registered their email address, can use the details as provided in the e-voting instruction being sent along with the Notice.
- b. Open the internet browser and type the following  
URL: [www.evoting.nSDL.com](http://www.evoting.nSDL.com)
- c. Click on Shareholder-Login
- d. Put User ID and Password as provided in this document and click Login. If you are already registered with NSDL for e-voting then you can use your existing User ID and Password for the Login.
- e. If you are logging in for the first time, the Password change menu will appear. Change the Password with new Password of your choice. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- f. Once the e-voting home page opens, click on e-voting: Active Voting Cycles.
- g. Select “EVEN (Electronic Voting Event Number)” of Network Limited.
- h. Once you enter the Cast Vote page will open. Now you are ready for e-voting.
- i. Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
- j. Upon confirmation, the message “Vote cast successfully” will be displayed.
- k. Once you have voted on the resolution, you will not be allowed to modify your vote.
- l. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter etc. together with the attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at [ama.scrutinizers@gmail.com](mailto:ama.scrutinizers@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**General Instructions for e-voting:**

- i. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com). You can also contact NSDL via email at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  - ii. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
  - iii. The e-voting period commences on Thursday, September 18<sup>th</sup> 2014 (9:00 A.M. IST) and ends on Saturday, September 20<sup>th</sup> 2014 (6:00 P.M. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 20<sup>th</sup> August, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
  - iv. The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the record date i.e. 20<sup>th</sup> August, 2014.
  - v. Since the Company is required to provide members facility to exercise their right to vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 20<sup>th</sup> August, 2014 and not casting their vote electronically, may only cast their vote at the 25<sup>th</sup> Annual General Meeting.
  - vi. Mrs. Anchal Mittal, Practising Company Secretary (Membership No. F-7161) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
  - vii. The Scrutinizer shall within a period of not exceeding three (3) working days from the conclusion of the e-voting period unlock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
  - viii. The Results shall be declared on or after the 25<sup>th</sup> Annual General Meeting of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.networklimited.net](http://www.networklimited.net) and on the website of NSDL within two (2) days of passing of the resolutions at the 25<sup>th</sup> Annual General Meeting of the Company on 24<sup>th</sup> September, 2014 and communicated to BSE.
10. 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.
  11. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.
  12. The company has designated an exclusive email ID called [network.limited@gmail.com](mailto: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 [network.limited@gmail.com](mailto:network.limited@gmail.com).

13. Details of Directors seeking appointment at the ensuing Annual General Meeting (in pursuance of clause 49 of the Listing Agreement)

<b>Name of the Director</b>	<b>Mr. Pankaj Shrimali</b>	<b>Mr. Aman Sawhney</b>
Date of Birth & Age	17th July, 1962, Age: 52 years	24 <sup>th</sup> April, 1968, Age: 46
Date of Appointment	18th February, 2005	17 <sup>th</sup> May 2010
Qualifications	B.com(H), FCA, FCS, FCWA	M.B.A
Expertise in specific functional Area	He has over 30 years of experience in the areas of Finance, Accounts, Secretarial, Corporate Management, Legal & Corporate consultancy services, Strategic Management, project finance planning, capital restructuring, joint venture, merger & acquisitions, private equity, Investment Banking, due diligence exercise etc.	He is having 24 years of experience in quality control, manufacturing and marketing of high quality precision wrist watches/dials and lifestyle products.
List of Companies in which outside Directorship is held	1. Relaxo Footwears Ltd 2. Kritikal Solutions Pvt Ltd	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 5. Sadhna Dials Pvt Ltd 6. Investech Research (India) Ltd
Chairman/ Member of the Committees of the Board of the Companies on which he is a Director	1. RelaxoFootwears Ltd Chairman – Audit Committee 2. Kritikal Solutions Pvt Ltd. Chairman – Audit Committee	NIL
<b>Name of the Director</b>	<b>Mr. Umong Sethi</b>	<b>Mrs. Neena Sethi</b>
Date of Birth & Age	21 <sup>st</sup> March ,1953, Age:61 years	06 <sup>th</sup> April , 1959 , Age: 55 years
Date of Appointment	6 <sup>th</sup> August 2014	6 <sup>th</sup> August 2014
Qualifications	Master of Philosophy (M.Phil.), M Sc, Defence Studies	B.Ed
Expertise in specific functional Area	Rtd. Army Officer having Expertise in Leadership, Project planning, strategic planning, personnel Management and financial management  Presently Working as Advisor, Strategic Alliances & Academics at Institute of Advanced Security Training & Management Pvt. Ltd	Mrs. Neena Sethi is a versatile person with strong belief in value based lifestyle.  She is having teaching experience of over 25 years in reputed school of New Delhi.
List of Companies in which outside Directorship is held	Rattrey Allied Security Services India (SAI) Private Limited	NIL
Chairman/ Member of the Committees of the Board of the Companies on which he is a Director	NIL	NIL
<b>Name of the Director</b>	<b>Mr. G S Goyal</b>	<b>Mr. Vijay Kalra</b>
Date of Birth & Age	2 <sup>nd</sup> January, 1957, Age: 57 years	4th April, 1969 Age: 45 Years
Date of Appointment	10th January 2007	30th June, 2009
Qualifications	B.Com (H), FCA	B.Com, FCA
Expertise in specific functional Area	He has over 28 years of experience in the field of Accounts, Auditing, Finance and Taxation	He is having 20 Years of experience in Accounts, Finance and Taxation field.
List of Companies in which outside Directorship is held	NIL	1.Opulence Realty & Consultants Pvt Ltd 2.Vian Realty & Consultants Pvt Ltd 3.Ask Strategistics Pvt Ltd.
Chairman/ Member of the Committees of the Board of the Companies on which he is a Director	NIL	NIL

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**EXPLANATORY STATEMENT AS REQUIRED BY SECTION 102(1) OF THE COMPANIES ACT, 2013****ITEM NO. 5**

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Mr. Umong Sethi as an Additional Director of the Company with effect from August 6<sup>th</sup>, 2014. In terms of the provisions of Section 161(1) of the Act, Mr. Umong Sethi would hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Umong Sethi for the office of Director of the Company. Mr. Umong Sethi is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. Section 149 of the Act inter alia stipulates the criteria of independence should a company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (Five) consecutive years on the Board of a company and he shall not be included in the total number of directors for retirement by rotation. The Company has received a declaration from Mr. Umong Sethi that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. Mr. Umong Sethi possesses appropriate skills, experience and knowledge. In the opinion of the Board, Mr. Umong Sethi fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement. Mr. Umong Sethi is independent of the management as per the provisions of the Companies Act 2013. Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. Umong Sethi is appointed as an Independent Director. Copy of the draft letter for appointment of Mr. Umong Sethi as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company. Save and except Mr. Umong Sethi and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

**ITEM NO. 6**

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Mrs. Neena Sethi as an Additional Director of the Company with effect from August 6<sup>th</sup>, 2014. In terms of the provisions of Section 161(1) of the Act, Mrs. Neena Sethi would hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mrs. Neena Sethi for the office of Director of the Company. Mrs. Neena Sethi is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. Section 149 of the Act inter alia stipulates the criteria of independence should a company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (Five) consecutive years on the Board of a company and he shall not be included in the total number of directors for retirement by rotation. The Company has received a declaration from Mrs. Neena Sethi that she meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. Mrs. Neena Sethi possesses appropriate skills, experience and knowledge. In the opinion of the Board, Mrs. Neena Sethi fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement. Mrs. Neena Sethi is independent of the management as per the provisions of the Companies Act 2013. Keeping in view her vast expertise and knowledge, it will be in the interest of the Company that Mrs. Neena Sethi is appointed as an Independent Director. Copy of the draft letter for appointment of Mrs. Neena Sethi as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company. Save and except Mrs. Neena Sethi and her relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the shareholders.

**ITEM NO. 7&8**

Mr. G S Goyal and Mr. Vijay Kalra are Non-Executive (Independent) Directors of the Company. Pursuant to the provisions of Section 149(10) of the Companies Act, 2013 ('the Act'), an independent director shall hold office for a term up to 5 (five) consecutive years on the Board of a Company and shall be eligible for re-appointment on passing of a special resolution by the Company. Amended clause 49 of the Listing Agreement further provides that a person who has already served as an independent director for five years or more in a company as on October 1, 2014 shall be eligible for appointment, on completion of his present term, for one more term of up to five years only. The Independent Directors were appointed as per the erstwhile applicable



provisions of the Companies Act, 1956, where they were liable to retire by rotation. The date of appointment of the independent directors is as under:

<b>Name of Independent Director</b>	<b>Date of appointment</b>
Mr. Vijay Kalra	10/01/2007
Mr. G S Goyal	30/06/2009

It is proposed to appoint Mr. Vijay Kalra and Mr. G S Goyal, as Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement for a term of five years till March 31, 2019. Further, pursuant to the provisions of Section 152(6) of the Act, the term of the Independent Directors shall not be liable to retire by rotation. The Company has received the consent in writing, to act as Director, in the prescribed form, from the Directors. They have also submitted a declaration that they are not disqualified to act as Director under Section 164(2) of the Companies Act, 2013 and meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. Vijay Kalra and Mr. G S Goyal are appointed as an Independent Director. Copy of the draft letters for appointment of Mr. Vijay Kalra and Mr. G S Goyal as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company. Save and except Mr. Vijay Kalra & Mr. G S Goyal and their relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolutions set out at Item No. 7&8 of the Notice.

The Board recommends the Ordinary Resolutions set out at Item No. 7&8 of the Notice for approval by the shareholders.

#### **ITEM NO. 9**

The members of the Company at their Annual General Meeting held on 18<sup>th</sup> September, 2013 have approved by way of an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs. 15.00 Crores (Rupees Fifteen Crores Only). Section 180(1)(c) of the Companies Act, 2013 requires that the Board of Directors shall not borrow money in excess of the Company's paid up share capital and free reserves except with the consent of the members accorded by way of a special Resolution. It is, therefore for the members to pass a Special Resolution under Section 180(1) (c) and other applicable provision of the Companies Act, 2013 to enable to the Board of Directors or any committee thereof or any person authorised by such Board or Committee to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of members is being sought to borrow money upto Rs. 15.00 Crores (Rupees Fifteen Crores Only). None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of the Notice.

The Board recommends the Special Resolution set out at Item No. 9 of the Notice for approval by the shareholders.

#### **ITEM NO. 10**

Section 180(1)(a) of the Companies Act, 2013 requires that the consent of the Members of the Company is to be accorded by way of Special Resolution to give authority to Board of Directors and / or any committee thereof and / or the person who is delegated authority by such Board/Committee for creating security to borrow money by mortgage, charge, hypothecation or any other encumbrances on Company's movable and /or immovable assets or stock in trade. None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 10 of the Notice.

The Board recommends the Special Resolution set out at Item No. 10 of the Notice for approval by the shareholders.

#### **ITEM NO. 11**

Section 42 of the Companies Act, 2013 and its underlying rules i.e. Companies (Prospectus and Allotment of Securities) Rules, 2014 provide that a Company shall make a private placement of its securities only if the proposed offer of securities or invitation to subscribe securities has been previously approved by the Members of the company, by a Special Resolution, for each of the Offers or Invitations. Keeping in view of the expediency of the business and fund requirements the Board of Directors of the Company may needs to make offer(s) or invitation(s) to subscribe the securities including but not limited to secured/unsecured, redeemable, non-convertible Bonds / Debentures / Preference shares The Board recommends the Resolution at Item No. 11 of the accompanying Notice for approval by the Members of the Company. None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the Resolution at Item No. 11 of the accompanying Notice.

The Board recommends the Special Resolution set out at Item No. 11 of the Notice for approval by the shareholders.

**ITEM No. 12**

The surplus funds of the Company, not immediately required for the business of the Company are required to be invested by the Board of the Company, from time to time, in the securities of Companies listed on the Bombay Stock Exchange (BSE) and /or the National Stock Exchange (NSE) having market capitalization of more than Rs. 25 Crs. (Rupees Twenty Five Crores only) on the date of the investment and/or in the securities of companies, which have previously been approved by the members of the Company and/or in financial securities viz. Shares, Securities and Commodities, Derivatives, Future & Options, Swaps, Currency Trading, Investment in units of Mutual Funds, Insurance Products, Private Equity, Money Market Instruments and other incidental business and also entering into partnership/ joint ventures etc. for the said purposes. In terms of the requirement of to Section 186(2) of the Companies Act, 2013 (Act) and the Companies (Meetings of Board and its Powers) Rules, 2014 (Rules), your approval is being sought for making the proposed investment. Except the Directors and Key Managerial Personnel or their relatives who may be concerned or interested, financial or otherwise, by way of directorship/shareholding or in any other manner in one or more companies/ bodies corporate/ individuals as described in the said resolution, no other Director or Key managerial personnel or their relatives is concerned or interested in the resolution set out at Item No. 12 of the Notice.

The Board recommends the Special Resolution set out at Item No. 12 of the Notice for approval by the shareholders.

**ITEM No. 13**

Pursuant to Section 186(2) of the Companies Act, 2013 (Act) and the Companies (Meetings of Board and its Powers) Rules, 2014 (Rules), the Board of Directors is authorized to give loan, guarantee or provide security in connection with a loan to any person or other body corporate, or acquire by way of subscription, purchase or otherwise, the securities including shares, debentures etc. of any other body corporate, up to an amount, the aggregate of which should not exceed 60% of the paid up capital, free reserves and securities premium account or 100% of free reserves and securities premium account of the Company, whichever is higher. In case the Company exceeds the above mentioned limits then, prior approval of shareholders by way of a Special Resolution required being obtained. The Company is operating in a dynamic business environment and therefore may be required to make investment, and to give Loans, Guarantees or provide Securities at any point of time when the exigencies arise. It is therefore proposed to authorize the Board of Directors to give loans, make investment or provide guarantees or securities up to an amount, the aggregate outstanding of which should not exceed, at any given time, Rs. 15.00 Crores (Rupees Fifteen Crores only) in continuity of the resolutions earlier passed under the erstwhile provisions of the Companies Act 1956. Except the Directors and Key Managerial Personnel or their relatives who may be concerned or interested, financial or otherwise, by way of directorship/shareholding or in any other manner in one or more companies/ bodies corporate/ individuals as described in the said resolution, no other Director or Key managerial personnel or their relatives is concerned or interested in the resolution set out at Item No. 13 of the Notice.

The Board recommends the Special Resolution set out at Item No. 13 of the Notice for approval by the shareholders.

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

**Sd/-  
Aman Sawhney  
Manager & Director**

**Place : New Delhi  
Date : 06.08.2013**



**NETWORK LIMITED**  
W-39, Okhla Industrial Area, Phase II, New Delhi – 110020  
Ph. 011-26389611, E-mail: network.limited@gmail.com  
Website: www.networklimited.net, CIN No L32209DL1989PLC034797

**ATTENDANCE SLIP**

Twenty Fifth Annual General Meeting 24<sup>th</sup> September, 2014

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

(Please mention both DPID & Client ID Nos.)

I, certify that I am a registered member/proxy of the registered member of the Company.

I/We hereby record my/our presence at the 25th Annual General Meeting of the Company at MPCU Shah Auditorium, Shree Delhi Gujrati Samaj Marg, Civil Lines, Delhi-110054 on Wednesday, 24<sup>th</sup> September 2014 at 02.00 p.m.

.....  
Member/Proxy's Name in Block Letters

.....  
Member/Proxy's Signature

**NOTE:**

1. Please complete the Folio / DP ID / Client ID No, and name, signed the Attendance slip and hand it over for verification at the Hall.
2. Members are requested to bring this slip along with them as Duplicate slips will not be issued at the Venue of the Meeting.

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**

W-39, Okhla Industrial Area, Phase II, New Delhi – 110020

Ph. 011-26389611, E-mail: [network.limited@gmail.com](mailto:network.limited@gmail.com)

Website: [www.networklimited.net](http://www.networklimited.net), CIN No L32209DL1989PLC034797

**PROXY FORM**

Name of the member(s): _____
Registered address: _____
E-mail ID: _____
Folio/DP ID-Client ID No.: _____

I/We being the member(s) of \_\_\_\_\_ shares of the above named Company hereby appoint:

- (1) Name: \_\_\_\_\_ address: \_\_\_\_\_  
E-mail ID \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him;
- (2) Name: \_\_\_\_\_ address: \_\_\_\_\_  
E-mail ID \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him;
- (3) Name: \_\_\_\_\_ address: \_\_\_\_\_  
E-mail ID \_\_\_\_\_ Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25<sup>th</sup> Annual General Meeting of the Company, to be held on Wednesday 24<sup>th</sup> September 2014 at MPCU Shah Auditorium, Shree Gujrati Samaj Marg, Civil Lines, Delhi-110054 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. To pass ordinary resolution for Adoption of Statement of Profit and Loss, Balance Sheet, Report of Board of Directors and Auditors for the year ended March 31, 2014.
2. To pass ordinary resolution for Re-appointment of Mr Pankaj Shrimali (DIN: 00013142) as a Director of the Company.
3. To pass ordinary resolution for Re-appointment of Mr Aman Sawhney (DIN: 00323283) as a Director of the Company.
4. To pass ordinary resolution for Re - appointment of M/s. S. Kapoor & Associates & Co., Chartered Accountants as Auditors
5. To pass ordinary resolution for Appointment of Mr. Umong Sethi (DIN: 05330983) as an Independent Director.
6. To pass ordinary resolution for Appointment of Mrs. Neena Sethi (DIN: 06936951) as an Independent Director.
7. To pass ordinary resolution for Re-appointment of Mr. Gauri Shanker Goyal (DIN: 00601765) as an Independent Director.
8. To pass ordinary resolution for Re-appointment of Mr. Vijay Kalra (DIN: 01062644) as an Independent Director.
9. To pass special resolution under Section 180(1)(c) of the Companies Act, 2013 for approving borrowing limit.
10. To pass special resolution under Section 180 (1)(a) of the Companies Act, 2013 for creation of security.
11. To pass special resolution under Section 42 of the Companies Act, 2013, for private placement of securities.
12. To pass special resolution under Section 186 of the Companies Act, 2013, for investment in excess of specified limits, in the stock market.
13. To pass special resolution under Section 186 of the Companies Act, 2013 for investment in excess of specified limits, in securities of other body corporates

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014

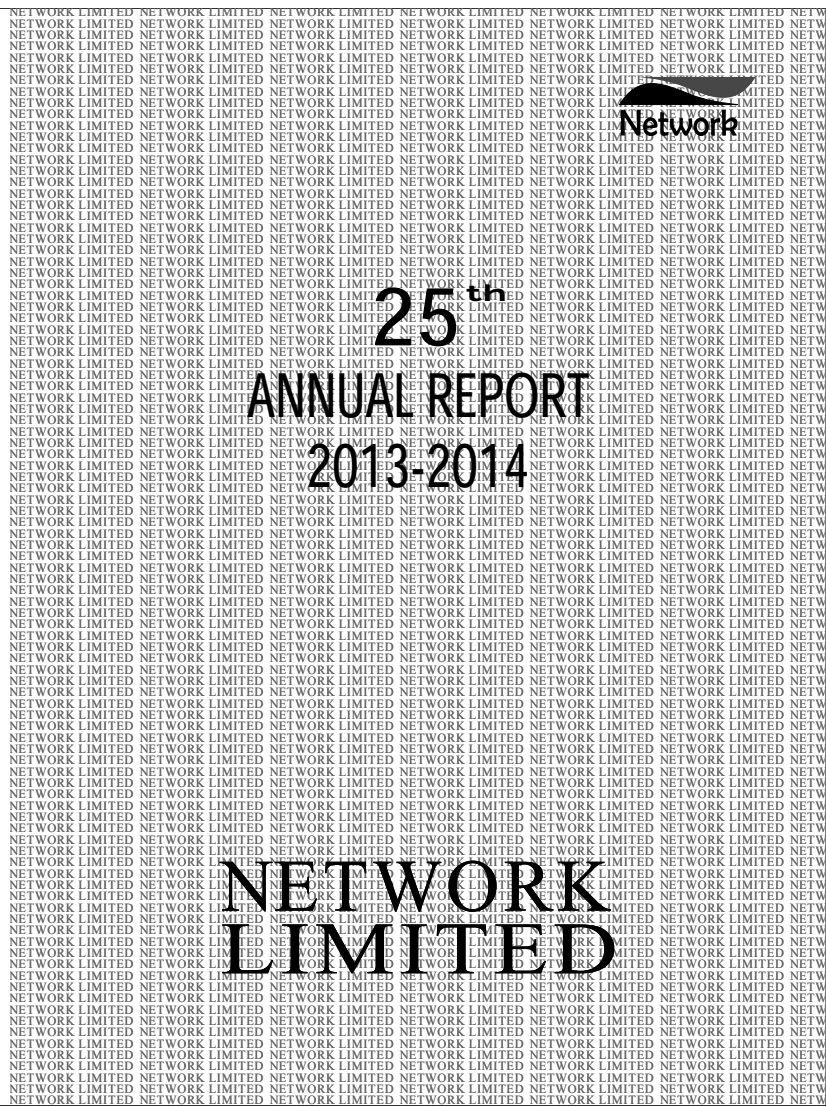
Signature of Shareholder \_\_\_\_\_

Signature of Proxy Holder (s) \_\_\_\_\_

<b>Affix One Rupee Revenue Stamp</b>
--

**Note:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 25<sup>th</sup> Annual General Meeting.



BOOK POST

25<sup>th</sup>  
ANNUAL REPORT  
2013-2014

If undelivered, please return to :  
**NETWORK LIMITED**  
W-39, 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 Umong Sethi Neena Sethi
Manager	:	Aman Sawhney
CFO	:	Ashok Kumar
Company Secretary	:	Vikas Jain
Auditors	:	S. Kapoor & Associates Chartered Accountants
Bankers	:	State Bank of Mysore ICICI Bank HDFC Bank Vijaya Bank
Registered Office	:	W-39, 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 25<sup>th</sup> Annual Report of the Company together with the Audited Accounts of the Company for the Financial Year ended 31<sup>st</sup> March, 2014.

**FINANCIAL HIGHLIGHTS**

The highlights of Financial Results for the Financial Year ended 31<sup>st</sup> March, 2014 in comparison to the Financial Year ended 31<sup>st</sup> March, 2013 are as follows:

(Rs in Lacs)

PARTICULARS		
	31 <sup>st</sup> March 14	31 <sup>st</sup> March 13
Revenue from Operations	173.76	420.85
Total Income	177.33	422.58
Total Expenditure	188.88	445.72
Profit/(Loss) before depreciation	(11.55)	(23.13)
Depreciation	86.63	86.91
Profit / ( Loss ) before Tax	(98.18)	(110.04)

**ECONOMIC SCENARIO**

The global economic scenario in 2013 remained challenging with output growth estimated at 3.0% - lower than the 3.2% growth recorded in 2012. Global economic activity picked up in the second half of the year, with much of the impetus coming from the Advanced Economies, raising hopes for an improved performance in 2014. The US economy grew by 1.9% in 2013, with the continued recovery of private domestic demand partly offset by the impact of heavy fiscal consolidation, which is estimated to have subtracted around 150 basis points from GDP growth. While the Euro Area contracted by 0.5% during 2013 as compared to 0.7% in the previous year, the region finally emerged from recession with output growth being positive from the middle of 2013 on the back of less fiscal drag and some buoyancy in private domestic demand. Global growth is expected to improve in 2014-15 following the late recovery observed in 2013. As per IMF estimates, world GDP growth is projected to strengthen from 3.0% in 2013 to 3.6% in 2014 and 3.9% in 2015, largely driven by the Advanced Economies, where growth is expected to increase from 1.3% in 2013 to 2.2% in 2014 and 2.3% in 2015. Despite the improved prospects as stated above, global economic recovery remains fragile with significant downside risks.

Closer home, the Indian economy witnessed a rather challenging year with GDP growth slowing down to sub-5% for the second year in succession. The slowdown in the pace of growth is largely attributable to weakness in Industry which grew by only 0.7% during the year as per Advance Estimates released by the Ministry of Statistics and

Programme Implementation. The Manufacturing sector, which accounts for 55% of Industry, de-grew by 0.2%. Growth in the Services sector stood at 6.9%, well below the trend growth levels. The only bright spot in an otherwise lacklustre economy was the Agriculture sector which grew by 4.6%, with record agricultural output. Inflation remained high and sticky for most part of the year leading to the RBI hiking the Repo rate by 75 basis points since May '13. While headline inflation has moderated in recent months, Core CPI inflation remains elevated at around 8% leaving little room for the RBI to ease policy rates to spur growth. While India remains one of the fastest growing major economies in the world, the slowdown in economic growth in the last 2 years is a cause of concern, being far below the desired levels and the country's potential. Given the low levels of per capita income and the fact that a significant proportion of our population lives in poverty, it is imperative that the economy reverts to its 8% to 9% growth trajectory sooner than later. 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.98.18 Lacs against loss of 110.04 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 31<sup>st</sup> March, 2014.

## **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.

## **LISTING OF COMPANY'S SHARES ON STOCK EXCHANGES**

The Company's shares are listed on "The Bombay Stock Exchange Limited". The listing fee up to the year 2014 – 2015 has already been paid to the Stock Exchanges.

## **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, 2013 and the Articles of Association of the company.

Mr. Pankaj Shrimali (DIN: 00013142) and Mr. Aman Sawhney (DIN – 00323283), Director retires by rotation at the ensuing Annual General Meeting and being eligible, has offered them for re-appointment. Your Board also recommends for re-appointment of Mr. Pankaj Shrimali and Mr. Aman Sawhney as Director of the Company.

Pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the Companies Act, 2013, Mr. Vijay Kalra (DIN: 01062644) & Mr. Gauri Shanker Goyal (DIN: 00601765) whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying his intention to propose Mr. Vijay Kalra (DIN: 01062644) & Mr. Gauri Shanker Goyal (DIN: 00601765) as a candidate for the office of Director of the Company, proposed to be appointed as an Independent Director of the Company to hold office for

5 consecutive years upto March 31, 2019, not liable to retire by rotation.”

During the year pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the Companies Act, 2013, Mr. Umong Sethi (DIN: 05330983) & Mrs Neena Sethi (DIN: 06936951) who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. August 6, 2014 and who holds office until the date of ensuing Annual General Meeting, in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying his intention to propose Mr. Umong Sethi (DIN: 05330983) & Mrs Neena Sethi (DIN: 06936951) as a candidates for the office of Director of the Company, proposed to be appointed as an Independent Director of the Company to hold office for 5 consecutive years upto March 31, 2019, not liable to retire by rotation.”

Brief resume of Mr. Pankaj Shrimali (DIN: 00013142), Mr. Aman Sawhney (DIN – 00323283), Mr. Vijay Kalra (DIN: 01062644), Mr. Gauri Shanker Goyal (DIN: 00601765), Mr. Umong Sethi (DIN: 05330983) & Mrs Neena Sethi (DIN: 06936951), 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**

The Board of Directors hereby declares and confirms:

- 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/-

**ASHOK SAWHNEY**  
Chairman

Sd/-

**AMAN SAWHNEY**  
Manager/Director

Place : New Delhi

Date : 6<sup>th</sup> August 2014

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	Membership	ChairmanShip
Mr. Ashok Sawhney	Non – Executive	01	-	-
Mr. Aman Sawhney	Executive	-	-	-
Mr. Avinash Chander Sharma	Non – Executive	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 2013-14, (Four) meetings of the Board of Directors were held on 21.05.2013, 29.07.2013, 07.11.2013 & 22.01.2014. 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. Pankaj Shrimali, Mr. Aman Sawhney, Mr. G.S. Goyal & Mr. Vijay Kalra 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 2013-2014 on the following dates: 21.05.2013, 29.07.2013, 07.11.2013 & 22.01.2014.

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 advice. 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	Member
Mr. Aman Sawhney	Executive	Member

The committee met four (4) times during the year on 21.05.2013, 29.07.2013, 07.11.2013 & 22.01.2014.

(iii) Mr. Vikas Jain, 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 three complaints from the shareholders, which were resolved. There was no pending complaint & share transfers as on 31<sup>st</sup> March, 2014

#### 6. ANNUAL GENERAL MEETINGS

Financial Year	Location	Date	Time	No. of Special Resolution (s) passed
2012-13	MPCU Shah Auditorium, Shree Delhi Gujrati Samaj Marg, Civil Lines, New Delhi – 110 054	18.09.2013	11.30 A.M	One
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

#### 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 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. 2.18 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 email and also by registered post 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
Wednesday, 24 <sup>th</sup> September, 2014	02.00 PM.	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, 2014	19.07.2014
Financial Reporting for the quarter ended 30 <sup>th</sup> September, 2014	within 45 days from the end of the quarter
Financial Reporting for the quarter ended 31 <sup>st</sup> December, 2014	within 45 days from the end of the quarter
Audited Results for the financial year ended 31 <sup>st</sup> March, 2014	within sixty days from the end of last quarter 31 <sup>st</sup> March, 2015

### iii) Dates of Book Closure

15th September, 2014 to 24th September, 2014  
(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 – 13	3.25	2.89	Oct-13	5.04	5.04
May – 13	3.1	3.1	Nov-13	4.2	4.2
Jun – 13	7.09	5.32	Dec-13	4.8	4.4
Jul – 13	2.96	2.96	Jan-14	5.35	3.45
Aug – 13	2.94	2.39	Feb-14	3.62	2.59
Sep – 13	3.91	3.91	March-14	4.17	4.17

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 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, 2014:**

Category		No. of share held	% of shareholding
<b>A</b>	<b>Promoter's holding</b>		
1.	Promoters & Promoter Group	29,751,906	60.53
2.	Persons acting in concert	-	-
	<b>Sub – Total (A)</b>	<b>29,751,906</b>	<b>60.53</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>
4.			
a.	Private Corporate Bodies	14712767	29.94
b.	Resident Indian Public	4660107	9.48
c.	NRIs/ OCBs	15418	0.03
	<b>Sub – Total</b>	<b>19,388,022</b>	<b>39.45</b>
	<b>Grand Total</b>	<b>49,148,498</b>	<b>100</b>

xi) **Dematerialization of shares and liquidity:** As on 31<sup>st</sup> March, 2014 about 96.60% 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-39, 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. Ashok Kumar, Chief Financial Officer of the Company was placed before the Board at its meeting held on 6<sup>th</sup> August, 2014. 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 31<sup>st</sup> March, 2014, the declaration to this effect duly signed by Mr. Aman Sawhney, Director & Manager of the Company is given 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 : 06.08.2014

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: 06.08.2014  
Place: New Delhi

Sd/-  
ASHOK SAWHNEY  
CHAIRMAN

Sd/-  
AMANSAWHNEY  
DIRECTOR & MANAGER

**CEO/CFO CERTIFICATION**

We, Aman Sawhney, Director & Manager and Ashok Kumar, Chief Financial Officer, 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, 2014 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, 2014 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 have not been any significant changes in internal control over financial reporting during the year under reference;
  - ii) There have 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 : 06.08.2014  
Place : New Delhi

Sd/-  
AMAN SAWHNEY  
DIRECTOR & MANAGER

Sd/-  
ASHOK KUMAR  
CHIEF FINANCIAL OFFICER

**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 March, 2014, 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.

FOR AGRAWAL MANISH KUMAR & CO  
Company secretaries

DATE : 06-08-2014  
PLACE : New Delhi

Sd/-  
(MANISH KUMAR AGRAWAL)  
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 31<sup>st</sup> March, 2014, 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 notified under Companies Act, 1956 (the "Act") read with General circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the companies Act, 2013. This 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.

#### Auditor's 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. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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(b) and (c) regarding conversion of loan given during the earlier years into Convertible Preference Shares during the current year

and conversion of optionally convertible Preference shares into Equity Shares at a premium, 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 31<sup>st</sup> March, 2014;
- b) in the case of the Statement of Profit and Loss Account, of the loss of the company for the period ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows of the company 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, the statement of Profit and Loss Account and Cash Flow Statement comply with Accounting Standards notified under the Companies Act, 1956 read with General circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
  - 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 31<sup>st</sup> March 2014 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 : 19-05-2014

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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 Securities and Commodities therefore paragraph 4(ii) of the order is not applicable.
3. (a) The Company has taken an interest free unsecured loan of Rs. 20 lakhs from a Company whose name appears in the Register maintained under section 301 of the Companies Act, 1956. In our opinion and according to the information and explanation given to us terms of the loan are not prejudicial to the interest of the Company. Maximum amount due during the year was Rs. 20 lakhs.  
(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 2014 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 raised demand of Rs. 14.34 Lacs & sales tax authorities 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. 687.40 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 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 investments dealt with or traded by the company. All shares and other investments 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: 19-05-2014

## BALANCE SHEET AS AT MARCH 31, 2014



Particulars	Note No.	As at 31.03.2014 Amt in Rs.	As at 31.03.2013 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	10,408,422	20,226,386
<b>(2) Non-Current Liabilities</b>			
Long term liabilities & Provisions	2.3	1,774,080	1,773,832
<b>(3) Current Liabilities</b>			
Other Current Liabilities	2.4	2,109,072	65,150
<b>TOTAL</b>		<b>505,776,554</b>	<b>513,550,348</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets :</b>			
(a) Fixed Assets	2.5		
(i) Tangible assets		868,612	1,018,497
(ii) Intangible assets		-	8,513,574
(b) Non-Current Investments	2.6	483,893,446	439,531,966
<b>(2) Current Assets :</b>			
(a) Inventories	2.7	10,878,853	9,440,210
(b) Trade Receivable	2.8	3,342,752	47,040
(c) Cash and Bank Balances	2.9	5,858,180	9,879,402
(d) Short-Term Loans and Advances	2.10	897,048	36,946,369
(e) Other Current Assets		37,663	8,173,290
<b>TOTAL</b>		<b>505,776,554</b>	<b>513,550,348</b>

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

As per our report of even date

For S. KAPOOR & ASSOCIATES  
Chartered AccountantsSd/-  
SANJAY KAPOOR  
PROPRIETOR  
M. No. 82499Place : New Delhi  
Date : 19.05.2014

For and On behalf of the Board of Directors

Sd/- ASHOK SAWHNEY Chairman  
Sd/- AMAN SAWHNEY Manager & DirectorSd/-  
HARSHIT GUNANI  
Company Secretary

## STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2014



Particulars	Note No.	31.03.2014 Amt in Rs.	31.03.2013 Amt in Rs.
I. Revenue from operations	2.11	17,376,050	42,084,821
II. Other Income	2.12	357,043	173,623
III. Total Revenue (I+II)		<u>17,733,093</u>	<u>42,258,444</u>
IV. Expenses:			
(a) Purchases		16,264,336	33,171,938
(b) Changes in Inventories		(1,438,643)	5,773,167
(c) Employee benefits expenses	2.13	324,297	1,342,079
(d) Depreciation and amortization expenses	2.5	8,663,459	8,691,053
(e) Operating and Other Expenses	2.14	3,737,608	4,284,650
Total Expenses		<u>27,551,058</u>	<u>53,262,887</u>
V. Loss before Tax		9,817,965	11,004,443
VI. Tax Expenses:			
(1) Current Tax		-	-
(2) Deferred Tax		-	-
VII. Loss after Tax		9,817,965	11,004,443
VIII. Add/(Less) : Prior year adjustment		-	332,625
IX. Loss for the Period		<u>9,817,965</u>	<u>11,337,068</u>
X. Earning Per Equity Share:			
(1) Basic		(0.20)	(0.23)
(2) Diluted		(0.20)	(0.23)

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

As per our report of even date

For S. KAPOOR & ASSOCIATES  
Chartered Accountants

Sd/-  
SANJAY KAPOOR  
PROPRIETOR  
M. No. 82499

Place : New Delhi  
Date : 19.05.2014

For and On behalf of the Board of Directors

Sd/-  
ASHOK SAWHNEY  
Chairman

Sd/-  
AMAN SAWHNEY  
Manager & Director

Sd/-  
HARSHIT GUNANI  
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014



Particulars	Year Ended March 31, 2014 Amt. in Rs.	Year Ended March 31, 2013 Amt. in Rs.
<b>A Cash Flow from Operating Activities</b>		
Net (Loss) / Profit after tax and Extra-ordinary items	(9,817,965)	(11,004,443)
Adjustments for:		
Depreciation	8,663,459	8,691,053
Prior Period adjustment	-	8,358,428
Operating (Loss) / Profit before working capital changes	<u>(1,154,506)</u>	<u>(2,646,015)</u>
<b>Adjustments for Increase In :</b>		
Inventories	(1,438,643)	5,773,167
Trade and other receivables	(3,295,711)	219,431
Loan & Advances	36,049,321	(4,478,299)
Other Current Assets	8,135,628	-
Trade payables and other liabilities & Provisions	2,044,170	9,915
Cash generated from / (used in) operations	41,494,764	1,524,214
<b>Net Cash from / (used in) Operating Activities (A)</b>	<u>40,340,258</u>	<u>(1,121,801)</u>
<b>B Cash flow from Investing Activities</b>		
Purchase of Fixed Assets	-	(36,500)
Investments	(44,361,480)	(3,678,185)
<b>Net Cash from / (used in) Investing Activities (B)</b>	<u>(44,361,480)</u>	<u>(3,678,185)</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	9,879,402	14,679,388
Closing balance of Cash & Cash equivalents	5,858,180	9,879,402
<b>Net Increase / (Decrease) in Cash and Cash equivalents</b>	<u>(4,021,222)</u>	<u>(4,799,986)</u>
<b>Total (A) + (B) + (C)</b>	<u>(4,021,222)</u>	<u>(4,799,986)</u>

As per our report of even date

For S. KAPOOR & ASSOCIATES  
Chartered Accountants

Sd/-  
SANJAY KAPOOR  
PROPRIETOR  
M. No. 82499

Place : New Delhi  
Date : 19.05.2014

For and On behalf of the Board of Directors

Sd/- ASHOK SAWHNEY Chairman  
Sd/- AMAN SAWHNEY Manager & Director

Sd/-  
HARSHIT GUNANI  
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, 2014 Amt. in Rs.	As at March 31, 2013 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
	<u>585,000,000</u>	<u>585,000,000</u>
<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>		
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 IS SET OUT BELOW:**

	As at 31.03.2014		As at 31.03.2013	
	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>49,148,498</u>

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

Name of Shareholder	As at March 31, 2014	As at March 31, 2013
	1. Mr. Gian Vijeshwar	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. Kaizen Lifestyle Products Pvt. Ltd.	4120000	4120000

	As at March 31, 2014 Amt. in Rs.	As at March 31, 2013 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
	<u>400,000</u>	<u>400,000</u>
(b) Securities Premium Account	76,412,986	76,412,986
	<u>76,412,986</u>	<u>76,412,986</u>
(c) Reserves & Surplus	2,336,269	2,336,269
	<u>2,336,269</u>	<u>2,336,269</u>
(d) Balance in Profit & Loss Account		
(i) Opening Balance	(58,922,869)	(47,585,801)
Add : Profit/(Loss) for the period	(9,817,965)	(11,337,068)
	<u>(68,740,833)</u>	<u>(58,922,869)</u>
	<u>10,408,422</u>	<u>20,226,386</u>
<b>2.3 OTHER LONG TERM LIABILITIES</b>		
Premium International Finance Ltd	1,499,080	1,499,080
Misc. Provisions	275,000	274,752
	<u>1,774,080</u>	<u>1,773,832</u>
<b>2.4 OTHER CURRENT LIABILITIES</b>		
Expenses Payable	109,072	65,150
Other Current Liabilities	2,000,000	-
	<u>2,109,072</u>	<u>65,150</u>

**2.5 FIXED ASSETS**

(Amount in Rs.)

Description	Gross Block			Depreciation / Amortisation			Net Block	
	As at 1.04.2013	Additions During the Year	As at 31.03.2014	Up to 01.04.2013	During the Year	Up to 31.03.2014	As at 31.03.2014	As at 01.04.2013
<b>A. Tangible Assets:-</b>								
Computer System	908,219	-	908,219	749,497	75,356	824,853	83,366	158,722
Furniture & Fixture	1,152,995	-	1,152,995	502,475	66,924	569,399	583,596	650,520
Office Equipment	152,945	-	152,945	70,640	7,605	78,245	74,700	82,305
Other Assets	126,950	-	126,950	-	-	-	126,950	126,950
	<u>2,341,109</u>	<u>-</u>	<u>2,341,109</u>	<u>1,322,612</u>	<u>149,885</u>	<u>1,472,497</u>	<u>868,612</u>	<u>1,018,497</u>
<b>B. Intangible Assets:-</b>								
Goodwill	42,567,890	-	42,567,890	34,054,316	8,513,574	42,567,890	-	8,513,574
	<u>42,567,890</u>	<u>-</u>	<u>42,567,890</u>	<u>34,054,316</u>	<u>8,513,574</u>	<u>42,567,890</u>	<u>-</u>	<u>8,513,574</u>
<b>TOTAL (A+B)</b>	<u>44,908,999</u>	<u>-</u>	<u>44,908,999</u>	<u>35,376,928</u>	<u>8,663,459</u>	<u>44,040,387</u>	<u>868,612</u>	<u>9,532,071</u>
Previous year ( Rs.)	44,885,999	36,500	44,922,499	26,699,375	8,691,053	35,390,428	9,532,071	18,186,624

	As at March 31, 2014 Amt. in Rs.	As at March 31, 2013 Amt. in Rs.
<b>2.6 NON- CURRENT INVESTMENTS:-</b>		
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
Nil (Previous Year 1,87,21,313 ) Equity Shares of United Manufacturing Co. (Delhi) Private Ltd. <i>[See Note 2.20 (a) ]</i>	-	188,818,000
12,15,505 (Previous Year 80,000) Equity Shares of Kaizen Lifestyle Products Pvt Ltd <i>[See Note 2.20 (a) to (e)]</i>	214,624,915	4,000,000
	<u>427,724,915</u>	<u>405,918,000</u>
In Preference Shares - Unquoted, fully paid-up		
Nil (Previous Year 2,60,000) Preference Shares of NRV Infrastructure Ltd. <i>[See Note 2.20 (a) ]</i>	-	26,000,000
5,50,000 (Previous Year 65,000) Preference Shares of Kaizen Lifestyle Products Private Ltd. <i>[See Note 2.20 (a) to (d)]</i>	55,000,000	6,500,000
	<u>55,000,000</u>	<u>32,500,000</u>
Investment in Capital of Partnership Firm		
Network Capital Partners	1,168,531	1,113,966
	<u>1,168,531</u>	<u>1,113,966</u>
Aggregate of Non-Current Investments	<u>483,893,446</u>	<u>439,531,966</u>
Total Amount of Unquoted Investment	483,893,446	439,531,966
<b>2.7 INVENTORIES</b>		
Inventories	10,878,853	9,440,210
	<u>10,878,853</u>	<u>9,440,210</u>
Inventories are carried at the lower of cost or net realisable value.		
<b>2.8 Trade Receivable - Unsecured - Considered Good</b>		
Debts outstanding for a period less than six months from the date they were due for payment	3,342,752	47,040
	<u>3,342,752</u>	<u>47,040</u>



	As at March 31, 2014 Amt. in Rs.	As at March 31, 2013 Amt. in Rs.
<b>2.9 CASH AND BANK BALANCES</b>		
<b>Cash and Cash Equivalents</b>		
Cash on Hand	27,239	136,455
In Fixed Deposit A/c with State Bank of Mysore <i>[See Note 2.19]</i>	5,281,556	9,252,373
In Current Accounts	549,385	490,573
	<u>5,858,180</u>	<u>9,879,402</u>
Detail of balances on Current Account as on Balance Sheet date in the Schedule Banks:-		
HDFC Bank	20,630	20,630
Vijaya Bank	83,301	83,607
ICICI Bank	74,656	42,310
State Bank of Mysore	370,798	344,026
<b>2.10 SHORT-TERM LOANS AND ADVANCES</b>		
<b>Unsecured, considered good</b>		
Tax Deducted at Source	897,048	1,886,912
Other loans and advances <i>[See Note 2.20 (c)]</i>	-	35,059,457
	<u>897,048</u>	<u>36,946,369</u>
<b>2.11 REVENUE FROM OPERATIONS</b>		
Sales	15,830,602	36,367,895
Interest	1,545,448	5,716,926
	<u>17,376,050</u>	<u>42,084,821</u>
<b>2.12 OTHER INCOME</b>		
Dividend	181,329	173,623
Interest Received on Income Tax Refund	121,149	-
Share in the Profit of Partnership Firm	54,565	-
	<u>357,043</u>	<u>173,623</u>
<b>2.13 EMPLOYEE BENEFITS EXPENSES</b>		
Establishment Expenses	308,020	1,241,020
Employer Contribution in Provident Fund	964	10,645
Other Benefits	-	57,060
Staff welfare	15,313	33,354
	<u>324,297</u>	<u>1,342,079</u>

	As at March 31, 2014 Amt. in Rs.	As at March 31, 2013 Amt. in Rs.
<b>2.14 OPERATING AND OTHER EXPENSES</b>		
Advertisement	54,976	65,158
Travelling & Conveyance	66,443	124,898
Audit Fees	78,652	39,326
Business Promotion Expenses	2,265	21,566
AGM Expenses	149,925	155,937
Rent / Hire Charges	174,000	174,000
Printing and Stationery	40,037	38,490
Postage & Courier	2,295	4,844
Communication Expenses	42,284	48,596
Loss in Partnership firm	-	16,889
Fees & Subscription Charges	278,936	272,443
Professional and legal Charges	2,692,981	2,914,090
Repair and Maintenance	81,500	157,877
Electricity & Water Charges	27,787	52,561
Job Work	7,480	48,000
Festival Expenses	27,975	57,577
Bank Charges	940	1,035
Other Expenses	9,133	91,363
	3,737,608	4,284,650

**2.15 CONTINGENT LIABILITIES**

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

b) The Company has provided following Equity Shares as margin against Derivative Products.

Description	No. of Shares
Sterlite Technology	141,200
Uflex Ltd	16,132
NTPC	1,200
Jindal Poly Films	10,000

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

(Rs. In Lacs)

PARTICULARS	2013-14	2012-13
Loss for the year ( Rs. In Lacs)	9,817,965	11,337,068
Weighted Average number of equity shares (nos.)	49,148,498	49,148,498
Nominal value of equity share ( Rs.)	10	10
Earning per Share (basic & diluted )	(0.20)	(0.23)

## 2.17 Amount paid / payable to Auditors:

PARTICULARS	Current Year	Previous Year
Audit Fees	0.85	0.45
In other capacity:		
- Tax related work	-	-
- Certification work	0.42	0.35

## 2.18 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 31.03.2014 are as follows:

## a) Associates

Network Capital Partners

## b) Key Management Personnel

Mr Harshit Gunani - Company Secretary

## c) Companies controlled by key management personnel with whom transactions have taken Place during the year

Sadhna Dials Private Limited

(Rs. In Lacs)

Description	Associates		Directors	
	This Year	Previous Year	This Year	Previous year
Investment [See Note 2.20 (c)]	443.07	40.00	-	-
Advance Given	-	431.42	-	-
Professional / Advisory Charges inclusive	-	-	24.72	26.97
Loan Taken	20.00	-	-	-
Closing Balance ( DR )	-	431.42	-	-
Closing Balance ( CR )	20.00	-	-	-

## 2.19 Fixed Deposit of Rs. 1,45,180/- is furnished to Sale Tax Authorities as a Bank Guarantee.

- 2.20 (a) The Company was holding One Crore Eighty Seven Lakh Twenty One Thousand Three Hundred Thirteen Equity shares having a value of Rupees Eighteen Crore Eighty Eight Lakh Eighteen Thousand of United Manufacturing Co. (Delhi) Private Limited and Two Lakh Sixty Thousand Preference Shares having a value of Rupees Two Crore Sixty Lakh of NRV Infrastructure Limited as on 01/04/2013. Pursuant to Scheme of arrangement dated 27th May 2013 for amalgamation of United Manufacturing Co. (Delhi) Private Limited, NRV Infrastructure Limited and others with Kaizen Lifestyle Products Private Limited duly approved by the Hon'ble High Court of Delhi, company has been allotted Three Equity Shares of Rupee Ten each of Kaizen Lifestyle Products Private Limited for every Hundred Equity shares of Rupee One each held in United Manufacturing Co. (Delhi) Private Limited. Company has also been allotted One Non-cumulative optionally convertible preference share (OCPS) of Rupees Hundred each of Kaizen Lifestyle Products Private Limited for every One Non-cumulative optionally convertible preference share (OCPS) of Rupees Hundred each held in NRV Infrastructure Limited.

Accordingly Five Lakh Sixty One Thousand Six Hundred Thirty Nine Equity Shares of Rupees Ten each and Two Lakh Sixty Thousand Non-cumulative optionally convertible preference share (OCPS) of Rupees Hundred each have been allotted to the company in Kaizen Lifestyle Products Pvt Ltd, in lieu of above investments during the year.

- (b) During the year, company, as per committee of board approval dated 20/12/2013, opted for conversion of Two Lakh Eighteen Thousand Sixty Nine Non-cumulative optionally convertible preference shares (OCPS) of Rupees Hundred each held in M/s Kaizen Lifestyles Products Private Limited into Equity Shares.

In lieu of such conversion Five Lakh Seventy Three Thousand Eight Hundred Sixty Six Equity Shares of Rupees Ten each were allotted to the company by Kaizen Lifestyle Products Private Limited, at a premium of Rupees Twenty Eight per share which, in view of the management, was the fair value of Equity share of Kaizen Lifestyles Products Private Limited on the date of conversion.



