



NETWORK LIMITED

13TH ANNUAL
REPORT
2001-2002

Board of Directors	: Suman Ghose Hazra S. Murali Sanjay Jain
Assistant Company Secretary	: Chitra Bhalla
Auditors	: S. Kapoor & Associates, Chartered Accountants
Registered Office	: 806-808, Siddhartha 96, Nehru Place, New Delhi-110 019 Tel.: 6444812
Head Office	: B-72, Sector-2, Noida - 201 301 (U.P.) Tel.: (91) 4526537, 4548367
Registrar and Share Transfer Agents – Physical Mode	: MAS Services Pvt. Ltd. AB-4, Safdarjung Enclave New Delhi - 110 029 Tel.: 6104142, 6104326 Fax: 6181081
Electronic Mode	: Alankit Assignments Ltd. 205-206, Anarkali Market, Jhandewalan Extension, New Delhi-110 055 Tel.: 3610220-24 Fax: 3552001

Notice**NETWORK
LIMITED**

NOTICE is hereby given that the Thirteenth Annual General Meeting of Network Limited will be held on Tuesday, 17th September, 2002 at 4 p.m. at Air Force Auditorium, Subroto Park, Dhaula Kuan, New Delhi 110010 to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2002, Profit and Loss account for the financial year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr.S. Murali who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. M/s. S.Kapoor & Associates, Chartered Accountants, the retiring Auditors, being eligible, offer themselves for re-appointment.

By Order of the Board

Noida
29th July, 2002

Suman Ghose Hazra
Director

NOTES

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. A blank proxy form is enclosed for use by Members, if required. The proxy form duly signed across the revenue stamp of Re. 1.00 should reach the Company's Registered Office at least 48 hours before the time of the meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 2nd September, 2002 to 17th September, 2002 (both days inclusive).
3. The Members are requested to notify their change of address, if any, to the Registered Office of the Company immediately.

4. No tiffin boxes, brief cases etc., are allowed inside the Meeting Hall for security reasons.
5. Members/Proxy holders are requested to produce at the entrance of the meeting hall, the enclosed attendance slip duly completed and signed.
6. Members are advised that M/s Allied Computer Technics Pvt. Ltd., Registrar and Share Transfer Agents for physical mode have transferred their business activities to MAS Services Pvt. Ltd. with effect from 1st June 2002. Hence, members are requested to address their communications to MAS Services Pvt. Ltd., AB-4, Safdajung Enclave, New Delhi-110029.
7. Shareholders who have not encashed their dividend warrants relating to financial year 1994-95 are requested to make their claim to the company immediately, as all unclaimed dividends for 1994-95 will be transferred to the Investor Education and Protection Fund of Central Government by 10th November, 2002. Please note that no claims shall lie against the fund or the company in respect of individual amounts and no payment shall be made in respect of any such claims.
8. Information regarding Re-appointment of Director:

At the ensuing Annual General Meeting, Mr. S. Murali, Director retires by rotation and being eligible, offer himself for re-appointment. Mr. S. Murali is an independent, non executive Director. He is a Chartered Accountant with vast experience in the area of finance. He is also Director of HCL Office Automation Limited and International Data Management Limited.

9. Members are requested to note that no gifts will distributed at the venue of the meeting.

By Order of the Board

Noida
29th July, 2002

Suman Ghose Hazra
Director

Directors' Report



To The Members

Your Directors herewith present the Thirteenth Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2002.

FINANCIAL HIGHLIGHTS:

	2001-2002 (Rs. Lacs)	2000-2001 (Rs. Lacs)
Total Income	410	58
Profit/(Loss) before Depreciation And Taxes	204	(106)
Depreciation	8	12
Provision for Taxation	-	-
Net Profit/ (Loss)	196	(118)
Profit/(Loss) brought forward from previous year	(4408)	(4591)
Income Tax Refund received relating to previous year	-	32
Debenture Redemption Reserve written back	-	269
Accumulated Loss carried forward to Balance Sheet	4212	4408

DIVIDEND

In view of the accumulated losses, your Directors do not recommend any dividend for the financial year ended 31st March, 2002.

OPERATIONS REVIEW:

In view of the heavy accumulated losses and large financial liabilities of the company, efforts are being made to settle the financial liabilities of the company. Other operational issues are being handled on day to day basis.

PUBLIC DEPOSIT:

Your Company has not accepted any deposits from the public during the year under review. As on 31st March, 2002, there were unclaimed deposits of Rs. 0.44 lacs.

AUDIT COMMITTEE

During the year under review, pursuant to provisions of Section 292A of the Companies Act, 1956, an Audit Committee consisting of three directors has been duly constituted.

DIRECTORS:

Mr. S. Murali, Director retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm:

- i) that in the preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;
- ii) that appropriate accounting policies have been selected and applied consistently and that the judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2002 and of the profit of the Company for the said period;
- iii) that the proper and sufficient care has been taken 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;
- iv) that the annual accounts have been prepared on a going concern basis.

AUDITORS AND AUDITORS' REPORT

The Auditors of the Company, M/s. S. Kapoor & Associates, Chartered Accountants retire at the conclusion of the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment. The clause 2.1 referred to in the Auditors' Report are explained in note 3 on Schedule 21 of the Notes to Accounts and, therefore, do not call for further comments.

Directors' Report (contd.)**NETWORK
LIMITED****CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUTGO**

During the year, there was no manufacturing activity and hence information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is not provided. No foreign exchange earnings and outgo were there during the year under review.

PARTICULARS OF EMPLOYEES:

During the year, there were no employees covered under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

CORPORATE GOVERNANCE

A separate report on "Corporate Governance" is annexed hereto as part of Annual Report.

ACKNOWLEDGEMENT

The Board wishes to place on record its gratitude to the banks, shareholders, creditors and employees for their continued support and co-operation.

For and on behalf of the Board

Suman Ghose Hazra
Director

Sanjay Jain
Director

Place: Noida

Dated: 29th July, 2002



Report on Corporate Governance**1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

The Company's objective of Corporate Governance is not mere fulfillment of the requirements of law, but ensuring commitment of the board in managing the company in a transparent manner for maximising long term shareholders value.

2. COMPOSITION, CATEGORY AND DIRECTORSHIP IN OTHER COMPANIES**(i) Board of Directors**

Name of the Director	Category	No. of other directorship	No. of other Board Committees membership	No. of Chairmanship of other Board Committees
Mr. Suman Ghose Hazra	Executive	3	-	-
Mr. S. Murali	Non-Executive, Independent	2	-	1
Mr. Sanjay Jain	Non-Executive, Independent	-	-	-

(ii) Number of Board Meetings and the attendance of the Directors:

During the financial year 2001-02, 8 meetings of the Board were held on 27th April, 2001, 18th May, 2001, 20th July, 2001, 30th July, 2001, 25th October, 2001, 28th January, 2002, 30th January, 2002 and 27th March, 2002.

Details of Directors' attendance and other particulars:

Name of Director	No. of Board Meetings held	No. of Board Meetings attended	Last AGM attended (Yes/No)
Mr. Suman Ghose Hazra	8	8	Yes
Mr. S. Murali	8	5	Yes
Mr. Sanjay Jain	8	7	Yes

3. AUDIT COMMITTEE**(i) Terms of Reference**

The Audit Committee was constituted in October 2001 as per Section 292A of the Companies Act, 1956 to review various areas of Accounts and Audit, to ensure accurate timely and proper disclosures of financial reporting.

(ii) Composition and Name of Members.

The Audit Committee is comprised of three independent directors. Three Audit Committee meetings were held on 31st October, 2001, 28th January, 2002 and 27th March, 2002. The attendance of Committee of Members is given below:

Members	Meetings held	Meetings attended
Mr. Sanjay Jain	3	3
Mr. Suman Ghose Hazra	3	3
Mr. S. Murali	3	2

Report on corporate governance (Contd.)**4. REMUNERATION COMMITTEE**

As neither remuneration nor sitting fees is paid to the Directors, no remuneration committee has been setup.

5. INVESTORS' GRIEVANCE COMMITTEE

(i) The Company has constituted a Shareholders/Investors Grievance Committee headed by Mr. Suman Ghose Hazra to specifically look into redressal of Shareholders' and Investors' complaints. The Committee met three times during the year. Ms. Chitra Bhalla, Asstt. Company Secretary is the Compliance Officer of the Company.

(ii) During the year, the company received 63 complaints from the shareholders of which all were resolved. There are no pending share transfers as on 31st March, 2002.

6. SHAREHOLDERS' MEETINGS

Details of last three Annual General Meetings held:

Year	Date	Venue	Time
2000-01	27.09.2001	Air Force Auditorium, Subroto Park, New Delhi	4.00 p.m.
1999-00	21.09.2000	Air Force Auditorium, Subroto Park, New Delhi	4.00 p.m.
1998-99	23.09.1999	Air Force Auditorium, Subroto Park, New Delhi	3.30 p.m.

No Special Resolutions were put through Postal Ballot last year. At present there are no resolutions which are required to be passed by postal Ballot.

7. DISCLOSURES

Related Party Transactions:

There are no related party transactions of the Company of material nature, with Promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large.

Non Compliance by the Company, Penalties, Strictures:

The Company has complied with the requirements of the Stock Exchange/SEBI/ any Statutory Authority on all matters related to capital markets during the last three years. There are no penalties or strictures imposed on the Company by Stock Exchange or SEBI or any statutory authorities relating to the above.

8. MEANS OF COMMUNICATION

- a. At present half yearly report is not being sent to each household of shareholders.
- b. The quarterly results are published in the English and Hindi Newspapers.
 - which newspaper normally published in The Pioneer/Financial Times(English)
Dainik Jagran/Veer Arjun (Hindi).
 - Any website where displayed No
 - 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 a part of the Annual Report

Report on corporate governance (Contd.)**9. GENERAL SHAREHOLDERS INFORMATION****(i) Annual General Meeting :**

<u>Date</u>	<u>Time</u>	<u>Venue</u>
17th September, 2002	4.00 p.m.	Air Force Auditorium, Subroto Park, New Delhi-110010

(ii) Financial Calendar (tentative) for the year 2002-03:

Financial Reporting for the quarter ended 30 th June, 2002	29th July, 2002
Financial Reporting for the quarter ending 30 th September, 2002	15th October, 2002
Limited Review for the half year ending 30 th September, 2002	15th November, 2002
Financial Reporting for the quarter ending 31 st December, 2002	20th January, 2003
Financial Reporting for the quarter ending 31 st March, 2003	25th April, 2003

(iii) Date of Book Closure

2nd September, 02 to 17th
September, 02 (Both days inclusive)

(iv) Dividend Payment Date

Not Applicable

(v) Listing on Stock Exchanges

The Shares of the Company are listed on the Delhi, Mumbai and Ahmedabad Stock Exchanges.

Listing fees for the period April 2001, to March 2002, has been paid to all the Stock Exchanges.

(vi) Stock Code

Trading Symbol on 'The Delhi Stock Exchange Association Limited' :	14045
Trading Symbol on 'The Stock Exchange, Mumbai' :	523558
Trading Symbol on 'The Stock Exchange, Ahmedabad' :	Network

(vii) Stock Market Data (Rs.) :

MONTH	HIGH	LOW
APRIL, 2001	4.95	3.70
MAY, 2001	6.00	3.55
JUNE, 2001	5.00	4.00
JULY, 2001	5.60	3.50
AUGUST, 2001	4.10	3.35
SEPTEMBER, 2001	4.10	2.35
OCTOBER, 2001	3.60	2.40
NOVEMBER, 2001	4.80	3.00
DECEMBER, 2001	4.25	2.80
JANUARY, 2002	3.65	2.70
FEBRUARY, 2002	3.55	2.80
MARCH, 2002	3.25	2.30

(Source: Closing share prices at Mumbai Stock Exchange)

(viii) Registrar and Transfer Agents

All correspondence concerning share transfers and matters related therewith may directly be addressed to the Company's Registrar and Transfer Agents at the addresses given below:

For Shares held in Physical Mode	For shares held in Electronic Mode
MAS Services Pvt Ltd., AB-4, Safdarjung Enclave New Delhi 110 029 Tele: 6104142, 6104326 Fax: 6181081	Alankit Assignments Ltd., 205-206, Anarkali Market Jhandewalan Extension New Delhi 110 055 Tele: 3610220-224, 3545773, 3545774 Fax: 3552001, 7514186

(ix) Share Transfer System:

The shares received in physical mode by the Company's Registrars and Share Transfer Agents are transferred or letter of objections, if any, are sent within a period of 30 days from the date of receipt.

Report on corporate governance (Contd.)**NETWORK
LIMITED**(x) Distribution of Shareholding as on 31st March, 2002

Category	No. of Shares	% holding
Promoters	8639354	71.88%
Mutual Funds	900	0.01%
FIs, Banks, Insurance Cos	24900	0.20%
FILs, OCBs, NRIs	12800	0.11%
Bodies Corporate	950782	7.91%
Public	2390271	19.89%
Total	12019007	100.00%

(xi) Dematerialisation of shares and liquidity

The shares of the Company are compulsorily traded in dematerialised form with effect from 30th October, 2000. As on 31st March, 2002, 11.92% shares of the Company are held in dematerialised form.

(xii) There are no outstanding GDRs/ADRs/

Warrants or any Convertible Instruments.

(xiii) Plant Locations: The Company does not have any manufacturing unit.

(xiv) Address for Correspondence

The shareholders may address their communication/grievances/queries to the Registrar and Share Transfer Agents at their addresses mentioned above or to

Secretarial Department
Network Limited
B-72, Sector 2, Noida (U.P.) 201 301
Tele No. : 011-91-4526537, 4548367
Fax : 011-91-4523558

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In view of the heavy accumulated losses and large financial liabilities of the company, efforts are being made to settle the financial liabilities of the company. Other operational issues are being handled on day to day basis.

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT(S)

To the Members of Network Limited

1. We have reviewed the implementation of Corporate Governance procedures by Network Limited, during the year ended 31st March 2002 with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.
2. 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 of the financial statements of the Company.

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

3. On the basis of our review and according to the information and explanations given to us, the conditions of Corporate Governance as stipulated in Clause 49 of the listing agreement(s) with the Stock Exchange(s) have been complied with in all material respect by the Company and that no investor grievance(s) is / are pending for a period exceeding one month against the company as per records maintained by the Shareholders/ Investors Grievance Committee.

Place : New Delhi
Date : 29th July, 2002

Sanjay Kapoor
F.C.A. (Prop.)
For and on behalf of
S. Kapoor & Associates
Chartered Accountants