

# NETWORK LIMITED

**14th** Annual Report  
2002-2003



<b>Board of Directors</b>	:	Suman Ghose Hazra Sanjay Jain S. Rajaraman
<b>Company Secretary</b>	:	Chitra Bhalla
<b>Auditors</b>	:	S. Kapoor & Associates, Chartered Accountants
<b>Registered Office</b>	:	806-808, Siddhartha 96, Nehru Place, New Delhi-110 019 Tel.: 26444812
<b>Registrar and Share Transfer Agent</b>	:	Alankit Assignments Ltd. 205-208, Anarkali Market, Jhandewalan Extension, New Delhi-110 055 Tel.: 011-51540060-63 Fax : 011-51540064

**Notice****NETWORK  
LIMITED**

NOTICE is hereby given that the Fourteenth Annual General Meeting of the Company will be held on Saturday, the 6th September, 2003 at Airforce Auditorium, Subroto Park, Dhaula Kuan, New Delhi-110 010 at 4.00 P.M. to transact the following business :

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2003, the Profit and Loss Account for the financial year ended on that date and the Report of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Suman Ghose Hazra 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.

**SPECIAL BUSINESS :**

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

"RESOLVED that Mr. S. Rajaraman, Additional Director, appointed in accordance with Section 260 of the Companies Act, 1956 to hold office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation."

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 269 read with Schedule XIII and other applicable provisions, if any of the Companies Act, 1956, approval of the Company be and is hereby accorded to the re-appointment of Mr. Suman Ghose Hazra as Manager of the Company for a further period of two years with effect from 1st February, 2003 to 31st

January 2005 upon such terms and conditions as set out in the draft agreement."

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

"RESOLVED that pursuant to the applicable provisions of the Companies Act, 1956, Securities Contracts (Regulation) Act, and the Rules framed thereunder, Listing Agreements and all other applicable laws, rules, regulations and guidelines and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modification(s) as may be prescribed or imposed by any authority while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as 'the Board'), approval of the Company be and is hereby accorded to the Board to delist the equity shares of the Company from the Delhi Stock Exchange Association Ltd, New Delhi and the Stock Exchange, Ahmedabad."

"RESOLVED further that the Board of Directors of the Company, be and is hereby authorised to take all necessary steps in this regard and do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and settle any question, difficulty, doubt that may arise in regard to voluntary de-listing of the equity shares from all or any of the aforesaid Stock Exchanges and to execute all such deeds, documents, writings as may be necessary, expedient or desirable as it may deem fit and for this purpose delegate the authority duly vested in it by virtue hereof to any Director or the Company Secretary or any other person who it may consider suitable to do the various acts, deeds and things required to give effect to this resolution."

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

"RESOLVED that pursuant to Section 163 of the Companies Act, 1956, as amended, the Company hereby approves that instead of being kept at the registered office of the Company at 806-808, Siddharth, 96, Nehru Place, New Delhi- 110 019, be kept at the office of the Registrar and the Share Transfer Agent of the Company, M/s. Alankit Assignments Limited at 205-208, Anarkali Market,

Jhandewalan Extension, New Delhi-110 055."

By Order of the Board  
for Network Ltd

Place : New Delhi  
Dated : 30th June, 2003

Chitra Bhalla  
Company Secretary

**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 the use by members, if required. The proxy form duly filled in and signed across the revenue stamp of Re. 1.00 should reach the Company's Registered office at least 48 hours before the time to the meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, the 1st day of September, 2003 to Saturday, the 6th day of September, 2003 (both days inclusive).
3. As per the provisions of Listing Agreements entered with the Stock Exchanges, the Company has appointed M/s. Alankit Assignments Limited as a Common Registrar and Share Transfer Agent for the shares of the Company held 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 Share Registrar and Transfer Agent at the address given below:
 

Name : Alankit Assignments Limited  
 Address : 205-208, Anarkali Market,  
 Jhandewalan Extn.,  
 New Delhi-110 055  
 Telephone No. : 011-51540060-63  
 Fax No. : 011-51540064
4. The Members are requested to notify their change of address, if any, to the Company's Registrar and Share Transfer Agent immediately.
5. Members/Proxy holders are requested to produce at the entrance of the auditorium the enclosed attendance slip duly completed and signed.
6. Information regarding Re-appointment of Director :  
 At the ensuing Annual general Meeting Mr. Suman Ghose Hazra, Director retires by rotation and

being eligible, offers himself for re-appointment. Mr. Suman Ghose Hazra is an independent executive director. He is a member of the Institute of Chartered Accountants of India and Institute of Cost and works accountants, India with over 27 years of experience in commerce and legal.

**EXPLANATORY STATEMENT**

**PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

**Item No. 4**

In terms of Section 260 of the Companies Act, 1956, Mr. S. Rajaraman was co-opted on the Board as an Additional Director with effect from 29th October, 2002.

Mr. S. Rajaraman, is a Fellow member of the Institute of Company Secretaries of India and a law graduate having approx. 20 years of experience.

Due notice under Section 257 of the Companies Act, 1956 along with requisite deposit has been received from a member, proposing the appointment of Mr. S. Rajaraman as Director whose period of office shall be liable to determination by retirement of Directors by rotation.

The Directors recommend the resolution set out at Item No. 4 for your approval.

Except Mr. S. Rajaraman, none of the Directors of the Company is interested in this resolution.

**Item No. 5**

The appointment of Mr. Suman Ghose Hazra as a manager has come to an end on 31st January, 2003. The Board of Directors in their meeting held on 29th January, 2003 has re-appointed Mr. Suman Ghose Hazra, as a Manager of the Company for a further period of two years commencing from 1st February, 2003 upto 31st January, 2005 subject to the approval of the shareholders.

Mr. Suman Ghose Hazra has over 27 years of experience in the field of commerce and law and the Company will be highly benefited on his re-appointment as Manager. Further Mr. Suman Ghose Hazra has not opted for any remuneration.

The re-appointment of Mr. Suman Ghose Hazra is subject to the approval of the shareholders.

The Directors recommend the resolution as set out in item No: 4 for approval.

Except Mr. Suman Ghose Hazra, none of the Directors of the Company is interested in this resolution.

**Item No. 6**

At present, the Company's equity shares are listed on the stock exchanges at Delhi, Ahmedabad and Mumbai. The shares of the Company are compulsorily traded in dematerialised form by all categories of investors w.e.f. October, 30, 2000.

As the Stock Exchange, Mumbai (BSE) has provided wide networking, investors have access to online dealings in the Company's securities across the Country. The Company's shares are mostly traded at the stock exchange at Mumbai.

The trading volumes and liquidity of the shares of the Company at the Delhi Stock Exchange Association of India and the Stock Exchange, Ahmedabad are lower. It is therefore, proposed to de-list the equity shares of the Company at Delhi Stock Exchange Association Ltd and The Stock Exchange, Ahmedabad.

Members' approval is being sought for enabling voluntary delisting of shares of the Company from the Delhi Stock Exchange Association Ltd and the Stock Exchange, Ahmedabad.

The proposed delisting of the shares of the Company from the Delhi Stock Exchange Association Ltd. and the Stock Exchange, Ahmedabad as and when the same takes place, will not adversely affect the investors. The shares of the Company will continue to be listed at The Stock Exchange, Mumbai.

The delisting will take effect after all approvals, permissions and sanctions are received. The exact date on which delisting will take effect will be suitably notified at that time.

The Directors recommend the resolution as set out in item No: 6 for approval.

None of the Directors of the Company is interested in this resolution.

**Item No. 7**

In terms of the provisions of Section 163 of the Companies Act, 1956, the documents such as the Register of Members, Indices, Returns and copies of certificates and documents are required to be kept at the registered Office of the Company. However, these documents can be kept at any other place within the City, town or village in which the Registered Office of the Company is situated, with the approval of the Shareholders of the Company.

It is proposed to maintain the aforesaid documents/ records of the Company at the premises of Alankit Assignments Ltd., Share registrar and Transfer Agent for Shares at 205-208, Anarkali Market, Jhandewalan Extension, New Delhi-110 055. The Above documents/ records shall remain open for inspection during business hours at M/s. Alankit Assignments Ltd. from 1000 hours to 1300 hours except on Saturdays, Sundays and other public holidays.

The Directors recommend the resolution as set out in item No:7 for approval.

None of the Directors of the Company is interested in this resolution.

By Order of the Board  
for Network Ltd.

Place : New Delhi  
Dated : 30th June, 2003

Chitra Bhalla  
Company Secretary



To the Members,

The Directors of your Company herewith present the Fourteenth Annual Report together with the Audited Accounts for the financial year ended 31st March, 2003.

### FINANCIAL HIGHLIGHTS

	2002-2003 (Rs. lacs)	2001-2002 (Rs. lacs)
Total income	73	410
Profit before Interest, Depreciation and Tax	36	204
Depreciation	1	8
Provision for Taxation	-	-
Net Profit	35	196
Accumulated Loss carried forward to Balance Sheet	4177	4212

### DIVIDEND

In view of the accumulated losses, your Directors do not recommend any dividend for the financial year ended 31st March, 2003.

### 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, 2003, there were unclaimed deposits of Rs. 0.44 Lacs.

### DIRECTORS

In accordance with the Articles of Association of the Company, Mr. Suman Ghose Hazra, Director will retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

In terms of Section 260 of the Companies Act, 1956, Mr. S. Rajaraman will hold office upto the date of the forthcoming Annual General Meeting. The Company has received notice under Section 257 of the Companies Act, 1956 from a member signifying his intention to propose the appointment of Mr. S. Rajaraman as Director of the Company.

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- that in the preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;
- 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 at the end of the financial year and of the profit of the Company for that period;

- that the proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- 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 6 referred to in the Auditors' Report are explained note no. 3 of Schedule 20 and, therefore, do not call for further comments.

### 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.

### ADDITIONAL INFORMATION RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

As there has been no manufacturing activities in the Company during the year under review, the additional information required under 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 & outgo were there during the year under review.

### CORPORATE GOVERNANCE

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

### ACKNOWLEDGEMENT

Your Directors wish to thank the Government authorities, creditors, employees and shareholders for their co-operation and assistance extended to the Company.

On behalf of the Board of Directors

Suman Ghose Hazra  
Director

Sanjay Jain  
Director

Place : Noida

Dated : 30th June, 2003

# 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Company's philosophy on corporate governance is to achieve high levels of transparency and accountability in its operations and its interactions with its various constituents like shareholders, employees, government etc. It will be the endeavor of the company to achieve the high standards of corporate governance.

## 2. COMPOSITION, CATEGORY AND DIRECTORSHIP IN OTHER COMPANIES

### (i) Board of Directors

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

\* Ceased to be a director w.e.f 29th October, 2002

\*\* Appointed as additional director on 29th October, 2002

### (ii) Directors' Attendance Record:

During the financial year 2002-2003, 4 meetings of the Board were held on 29th June, 2002; 29th July, 2002; 29th October, 2002 and 29th January, 2003.

Details of Directors' attendance and other particulars:

Name of the Director	No. of Board Meetings held	No. of Board Meetings attended	Whether attended last AGM
Mr. Suman Ghose Hazra	4	4	Yes
Mr. S. Murali*	4	2	Yes
Mr. Sanjay Jain	4	4	Yes
Mr. S. Rajaram**	4	2	No

\* Resigned from the directorship on 29th October, 2002

\*\* Appointed as director w.e.f 29th October, 2002

## 3. AUDIT COMMITTEE

### (i) Terms of Reference

The Audit Committee constituted in accordance with Section 292A of the Companies Act, 1956 reviews various areas of Accounts and Audit and ensure accurate timely and proper disclosures of financial reporting.

Mr. Sanjay Jain, Mr. Suman Ghose Hazra and Mr. S. Rajaraman are the members of this Committee. Mr. Sanjay Jain is the Chairman of the committee.

The committee met three times during the financial year 2002-2003 on the following dates: 29/06/2002, 29/07/2002 and 29/01/2003. The attendance thereof is given below:-

Name of the Director	No. of meetings held	No. of Meetings attended
Mr. Sanjay Jain	3	3
Mr. Suman Ghose Hazra	3	3
Mr. S. Murali*	3	2
Mr. S. Rajaraman**	3	1

\* Resigned from the directorship on 29th October, 2002

\*\* Appointed as director w.e.f 29th October, 2002

#### 4. REMUNERATION COMMITTEE

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

#### 5. INVESTORS' GRIEVANCE COMMITTEE

- (i) The Investors' Grievance Committee is headed by Mr. Suman Ghose Hazra, to review and redress shareholders grievances and to attend to share transfers. The committee met thrice during the year.  
Ms. Chitra Bhalla, Company Secretary is the Compliance Officer of the Company.
- (ii) During the year, the company has received 29 complaints from the shareholders of which all were resolved. There are no pending share transfers as on 31st March, 2003.

#### 6. GENERAL BODY MEETINGS

Location and time of last three Annual General Meetings.

Year	Location	Date	Time
1999-2000	Air Force Auditorium, Subroto Park, New Delhi	21.09.2000	4.00 PM.
2000-2001	Air Force Auditorium, Subroto Park, New Delhi	27.09.2001	4.00 PM.
2001-2002	Air Force Auditorium, Subroto Park, New Delhi	17.09.2002	4.00 PM.

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 its 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, Structures :*

The Company has complied with the requirements of the Stock Exchanges/SEBI/any Statutory Authority on all matters related to capital market 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.