

*16<sup>th</sup>*  
Annual Report  
2004-2005

**NETWORK  
LIMITED**

Board of Directors	:	Gian Vijeshwar Rakesh Babbar Pankaj Shrimali
Manager	:	Rahul Jha
Auditors	:	S. Kapoor & Associates Chartered Accountants
Bankers	:	HDFC Bank Vijaya Bank
Registered Office	:	416, World Trade Centre Babar Road New Delhi - 110 001 Tel. : 011-23417282 Fax : 011-23417283
Corporate Office	:	P-1, UGF, Vishal Chambers Sector-18, Noida - 201 301 Tel. : 0120-3959870 Fax : 0120-2512742
Registrar and Share Transfer Agent	:	Alankit Assignments Ltd. 205-208, Anarkali Complex Jhandewalan Extension New Delhi - 110 055 Tel.: 011 - 51540060-63 Fax : 011-51540064



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## Notice

**NETWORK  
LIMITED**

**NOTICE** is hereby given that the Sixteenth Annual General Meeting of the Company will be held on Wednesday, the 24<sup>th</sup> Day of August, 2005 at 10.00 A.M. at Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Civil Lines, Delhi 110054 to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Profit and Loss Account for the Year ended 31<sup>st</sup> March 2005 and the Balance Sheet as at that date together with the Report of the Directors and Auditor's thereon.
2. To appoint auditors of the Company to hold office from the conclusion of this Annual General 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**

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

**"RESOLVED THAT** Mr. Gian Vijeshwar, who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 and Article 81 of the Article of Association of the Company and who holds office up to the date of ensuing General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 in writing, proposing his candidature for the office of director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

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

**"RESOLVED THAT** Mr. Rakesh Babbar, who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 and Article 81 of the Article of Association of the Company and who holds office up to the date of ensuing General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 in writing, proposing his candidature for the office of director, be and is hereby appointed as a Director of the Company liable to retire 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** Mr. Pankaj Shrimali, who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 and Article 81 of the Article of Association of the Company and who holds office up to the date of ensuing General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 in writing, proposing his

candidature for the office of director, be and is hereby appointed as a Director of the Company 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 the provisions of Section 269 and all other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act, as amended up-to-date, and subject to such other approval as may be necessary, consent of the Company be and is hereby accorded to the appointment of Mr. Rahul Jha as "Manager" of the Company in terms of Section 2(24) of the Companies Act, 1956 without any remuneration for a period of three years with effect from 19<sup>th</sup> July, 2005.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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 the provisions of section 94(1)(e) and all other applicable provisions of the Companies Act, 1956 and the provisions of the Articles of Association of the Company, consent of the members be and is hereby accorded to the cancellation of 1,00,00,000 (One Crore) Equity Shares of Rs. 10/- (Rupees Ten only) each aggregating to Rs. 10,00,00,000/- (Rupees Ten Crores only) lying unissued in the Authorised Share Capital of the Company.

**RESOLVED FURTHER THAT** consequent and subject to the passing of the resolution for cancellation of the unissued Equity Share Capital of the Company, consent of the members be and is hereby accorded to create 10,00,000 (Ten Lacs) Preference Shares of Rs. 100/- (Rupees One Hundred only) each aggregating to Rs. 10,00,00,000/- (Rupees Ten Crores only).

**RESOLVED FURTHER THAT** Clause V of Memorandum of Association be and is hereby altered and read as follows:

- V. The Authorized Share Capital of the Company is Rs. 40,00,00,000/- (Rupees Forty Crores only) divided into 3,00,00,000 (Three Crores) Equity Shares of Rs. 10/- (Rupees Ten only) each aggregating to Rs. 30,00,00,000/- (Rupees Thirty Crores only) and 10,00,000 (Ten Lacs) Preference Shares of Rs. 100/- (Rupees One Hundred Only) each aggregating to Rs. 10,00,00,000/- (Rupees Ten Crores only).

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

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

**“RESOLVED THAT** pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered by deleting therefrom the existing Article 3 and substituting in its place new Article:

3. The Authorized Share Capital of the Company is Rs. 40,00,00,000/- (Rupees Forty Crores only) divided into 3,00,00,000 (Three Crores) Equity Shares of Rs. 10/- (Rupees Ten only) each aggregating to Rs. 30,00,00,000/- (Rupees Thirty Crores only) and 10,00,000 (Ten Lacs) Preference Shares of Rs. 100/- (Rupees One Hundred Only) each aggregating to Rs. 10,00,00,000/- (Rupees Ten Crores only).

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is 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.”

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

**“RESOLVED THAT** pursuant to Sections 80, 81, 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof) and the Memorandum and Articles of Association of the Company, the Listing Agreement entered into by the Company with the Stock Exchange where the shares of the Company are listed and in accordance with the guidelines issued by the Securities & Exchange Board of India (SEBI) and clarifications thereon issued from time to time and subject to such approvals, permissions, consents and sanctions, if any, as may be necessary and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions, which may be agreed to by 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), the consent of the Company be and is hereby accorded to the Board to offer, issue and allot upto 10,00,000 (Ten lacs) Cumulative Redeemable Preference Shares (CRPS) of Rs. 100/- (Rupees one hundred only) each at par aggregating upto Rs. 10,00,00,000/- (Rupees Ten Crores only) without carrying voting rights, with a coupon rate of 0.01% in one or more tranches from time to time, to the Creditor(s) of the Company and/ or any individual, Body Corporate or any other persons, redeemable in five annual equal installments starting

from 01<sup>st</sup> September, 2019, in the manner and on the terms and conditions, detailed herein below:

- i. CRPS to be so issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company;
- ii. CRPS shall not entitle the holders thereof to any voting rights, except in respect of the Resolutions which directly affect the rights attached to the preference shares and in the event the Company does not pay any dividend on the said 0.01% Cumulative Redeemable Preference Shares no voting rights shall accrue to such holders on account of non-payment of dividend;
- iii. The Board be and is hereby authorized, in their absolute discretion, to make the said issue of Cumulative Redeemable Preference Shares on such terms and conditions as they may consider appropriate and to accept any modification(s) to or to modify the terms of issue of the said CRPS including the authority to revise/ adjust the value, redemption period, Coupon rate, quantum of the CRPS in such manner as may be considered appropriate by the Board, subject to the provisions of the Companies Act, 1956 and SEBI Guidelines/ Regulations, without being required to seek any further consent or approval of the Company in General Meeting;
- iv. The Cumulative Redeemable Preference Shares are not proposed to be listed as the same are proposed to be offered by way of private placement.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds and things as the Board may in its absolute discretion consider necessary, proper, desirable or appropriate for making the said issue as aforesaid and to settle any question, difficulty or doubt that may arise in this regard in such manner and to such person(s) as the Board may deem fit and proper in its absolute discretion to be most beneficial to the Company.”

**10. 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 372A and other applicable provisions of the Companies Act, 1956 and subject to other requisite approvals, if any, approval of the members be and is hereby accorded 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

## Notice (contd.)

**NETWORK  
LIMITED**

60% of the Paid-up Share Capital and free reserves of the Company or 100% of the free reserves of the Company, whichever is more, in the shares of companies listed at the Stock Exchange, Mumbai (BSE) and/or the National Stock Exchange (NSE) and having market capitalization of more than Rs. 25 crores on the date of the investment. Units of Mutual Funds registered with SEBI like LIC, SBI, HDFC, PRUDENTIAL ICICI, Standard Chartered, IDBI, BIRLA Mutual Funds etc. 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.

**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 in the interest of the Company.

**RESOLVED FURTHER THAT** the aggregate of the aforesaid investments outstanding at any time shall not exceed Rs. 25,00,00,000/- (Rupees Twenty Five Crores only).

**RESOLVED FURTHER THAT** the aforesaid limit of Rs. 25,00,00,000/- (Rupees Twenty Five 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 is 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."

**11. 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 149 (2A) or other applicable provisions, if any, of the Companies Act, 1956, the approval of the Company be and is hereby accorded for commencing and undertaking all or any of the business specified in clause 11 & 13 of "Other Objects" Clause under Clause III C of the Memorandum of Association of the Company as the Board may deem proper from time to time.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is 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."

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

**"RESOLVED THAT** pursuant to the provisions of Section 293(1) (d) and other applicable provisions if any, of the Companies Act, 1956, the consent of the company be and is hereby accorded to the Board of Directors for borrowings for and on behalf of the Company from time to time and in one or more tranches, money for the purposes of the business of the Company either in foreign currency and/or rupee currency as may be deemed necessary, amounting in the aggregate to a sum not exceeding Rs. 20.00 crores (Rupees Twenty Crores only) notwithstanding that the money so borrowed, together with money already borrowed, if any, (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the Paid-up Share Capital of the Company and its free Reserves, that is to say reserves not set apart for any specific purpose.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is 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 a Special Resolution:**

**"RESOLVED THAT** pursuant to Section 293(1) (a) and other applicable provisions, if any, of the Companies Act 1956 and subject to such consents and approvals as may be necessary, the Board of Directors of the Company be and is hereby authorized to create charge on the immovable/ movable properties of the Company both present and future, amounting in aggregate to a sum not exceeding Rs. 20.00 Crores (Rupees Twenty Crores only) in favour of any banker/ financial institution or any other lender as may be agreed to between the Board of Directors and banker/ financial institution or any other lender for the loan taken/ to be taken as per the terms of the agreement to be entered into between the Company and the bankers/ financial institutions/lender.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is 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."

**By Order of the Board  
For Network Ltd.**

**New Delhi  
July 19, 2005**

**Sd/-  
Rahul Jha  
Manager**



## Notice (contd.)

**NETWORK  
LIMITED****NOTES:**

1. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of special businesses is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. A BLANK PROXY FORM IS ENCLOSED FOR THE USE OF THE MEMBERS, IF REQUIRED. THE INSTRUMENT APPOINTING THE PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
4. Members/ Proxies should bring duly filled in and signed Attendance Slips sent herewith for attending the meeting.
5. The Register of Members and Share Transfer Books shall remain closed from 20<sup>th</sup> August, 2005 to 24<sup>th</sup> August, 2005, both days inclusive.
6. Members are requested to notify any change in their address to the Company's Registrar & Share Transfer Agent, quoting their folio number.

**7. DETAILS OF DIRECTORS SEEKING APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING (IN PURSUANCE OF CLAUSE 49 OF THE LISTING AGREEMENT)**

Name of the Director	Gian Vijeshwar	Rakesh Babbar	Pankaj Shrimali
Date of Birth & Age	2 <sup>nd</sup> March 1945; Age : 60 Years	3 <sup>rd</sup> July 1955; Age : 50 Years	17 <sup>th</sup> July 1962; Age : 43 Years
Date of Appointment	18 <sup>th</sup> February 2005	18 <sup>th</sup> February 2005	18 <sup>th</sup> February 2005
Qualifications	M.A. (Public Administration)	B.Com	B.Com (H), FCA, FCS, FCWAI
Expertise in specific functional Area	He is having vast experience in Amusement Parks & Entertainment Industry	He is having vast experience in Amusement Parks & Entertainment Industry	Over 20 years of experience in the area of Finance, Accounts, Secretarial, Corporate Management, Legal & Corporate consultancy services, Investment Banking etc.
List of Companies in which outside Directorship is held	International Amusement Ltd. Appu Ghar Entertainment Pvt. Ltd. International Recreation Parks Pvt. Ltd. Unitech Amusement Parks Ltd. Appu Ghar Holdings Pvt. Ltd. Appu Ghar Securities & Solutions Pvt. Ltd. Appu Ghar Recreation Parks Pvt. Ltd. International Amusement Holdings Ltd. PPS Towers Pvt. Ltd. Onus Infrastructures & Developers P. Ltd. UniqDwell Infrastructures & Developers Pvt. Ltd. Abodwell Buildcon Pvt. Ltd.	International Amusement Ltd. Appu Ghar Entertainment Pvt. Ltd. International Recreation Parks Pvt. Ltd. Unitech Amusement Parks Ltd. Appu Ghar Holdings Pvt. Ltd. Appu Ghar Securities & Solutions Pvt. Ltd. Appu Ghar Recreation Parks Pvt. Ltd. International Amusement Holdings Ltd. PPS Towers Pvt. Ltd. San Share Shoppe Pvt. Ltd. Onus Infrastructures & Developers Pvt. Ltd. UniqDwell Infrastructures & Developers Pvt. Ltd. Abodwell Buildcon Pvt. Ltd.	International Amusement Ltd. PPS Towers Pvt. Ltd.
Chairman/ Member of the Committees of the Board of the Companies on which he is a Director	International Amusement Ltd. : Audit Committee - Chairman Share Transfer Committee - Chairman Share Application Committee - Chairman Share Allotment Committee - Chairman	International Amusement Ltd. : Audit Committee - Member Share Transfer Committee - Member Remuneration Committee - Chairman Share Application Committee - Member Share Allotment Committee - Member	

**EXPLANATORY STATEMENT AS REQUIRED BY  
SECTION 173 (2) OF THE COMPANIES ACT, 1956****ITEM NO. 3**

Mr. Gian Vijeshwar was appointed by the Board of Directors of the Company in their meeting held on 18<sup>th</sup> February, 2005 as an Additional Director in terms of Section 260 of the Companies Act, 1956 and Article 81 of the Article of Association of the Company to hold office till the date of the ensuing General Meeting and eligible for appointment as a Director.

The Company has received a notice in writing from a member along with the deposit of Rs. 500/- pursuant to Section 257 signifying his intention to propose him as a candidate for the office of Director.

The Board of Directors considers that Mr. Gian Vijeshwar's appointment as a Director would be in the interest of the Company and recommend his appointment for which your approval is required.

None of the Directors except Mr. Gian Vijeshwar himself may be deemed to be concerned or interested in the proposed resolution.

**ITEM NO. 4**

Mr. Rakesh Babbar was appointed by the Board of Directors of the Company in their meeting held on 18<sup>th</sup> February, 2005 as an Additional Director in terms of Section 260 of the Companies Act, 1956 and Article 81 of the Article of Association of the Company to hold office till the date of the ensuing General Meeting and eligible for appointment as a Director.

The Company has received a notice in writing from a member along with the deposit of Rs. 500/- pursuant to Section 257 signifying his intention to propose him as a candidate for the office of Director.

The Board of Directors considers that Mr. Rakesh Babbar's appointment as a Director would be in the interest of the Company and recommend his appointment for which your approval is required.

None of the Directors except Mr. Rakesh Babbar himself may be deemed to be concerned or interested in the proposed resolution.

**ITEM NO. 5**

Mr. Pankaj Shrimali was appointed by the Board of Directors of the Company in their meeting held on 18<sup>th</sup> February, 2005 as an Additional Director in terms of Section 260 of the Companies Act, 1956 and Article 81 of the Article of Association of the Company to hold office till the date of the ensuing General Meeting and eligible for appointment as a Director.

The Company has received a notice in writing from a member along with the deposit of Rs. 500/- pursuant to

Section 257 signifying his intention to propose him as a candidate for the office of Director.

The Board of Directors considers that Mr. Pankaj Shrimali's appointment as a Director would be in the interest of the Company and recommend his appointment for which your approval is required.

None of the Directors except Mr. Pankaj Shrimali himself may be deemed to be concerned or interested in the proposed resolution.

**ITEM NO. 6**

Mr. Rahul Jha has been appointed as Manager of the Company in terms of Section 2(24) of the Companies Act, 1956 with effect from 19<sup>th</sup> July 2005 without any remuneration for a period of three years in the Board Meeting held on 19<sup>th</sup> July 2005.

Mr. Rahul Jha is an ACS and MBA by qualification and having over 5 years of experience in corporate sector.

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

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

None of the Directors is concerned or interested in proposed resolution.

**ITEM NO. 7 & 8**

Members are aware that at present the Authorised Share Capital of the Company is Rs. 40.00 Crores comprising of Four Crores Equity Shares of Rs. 10/- each. It is proposed that 1,00,00,000 (One Crore) un-issued Equity Shares of Rs. 10/- (Rupees Ten only) each be cancelled under the provisions of section 94(1)(e) of the Companies Act, 1956 and 10,00,000 (Ten Lacs) Preference Shares of Rs. 100/- (Rupees One Hundred only) each aggregating to Rs. 10,00,00,000/- (Rupees Ten Crores only) be created in lieu of the cancelled Equity Shares.

It is proposed to issue Cumulative Redeemable Preference Shares with a coupon rate of 0.01% to the Creditors in settlement of their liabilities on such terms and conditions as may be agreed to with the creditors. The Board has constituted a committee of Directors to negotiate with the creditors and take their consent. To facilitate the Board to issue Preference Shares in future it is proposed subject to the approval of the members to re-organize the Authorized Share Capital clause of the Memorandum of Association of the Company by canceling one crore equity shares of Rs. 10/- each and creating in its place ten lacs preference shares of Rs. 100/- each.

In terms of circular no. 8/13(94)/59-PR dated 12-03-1960 issued by the Department of Company Affairs no fee for increase in the authorized capital is payable to the Registrar of Companies.

Such alteration in the Authorized Share Capital of the Company and consequent amendment in the Memorandum and Articles of Association of the Company would require approval of the shareholders. If the members accord their approval to these resolutions, the Authorised Share Capital structure of the Company would be as under:

Equity: 3,00,00,000 (Three Crores) Equity Shares of Rs. 10/- (Rupees Ten only) each;  
Preference: 10,00,000 (Ten Lacs) Preference Shares of Rs. 100/- (Rupees One Hundred Only) each.

A copy of the Memorandum and Articles of Association of the Company along with the proposed amendments shall be open for inspection of the members at the Registered Office of the Company between 10.00 a.m. and 12.00 noon on any working day upto and inclusive of the Annual General Meeting.

None of the Directors is concerned or interested in proposed resolutions.

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

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

In terms of the provisions of section 80 & 81(1A) of the Companies Act, 1956 approval of the Members of the Company by way of special resolution is required for making issue of any share on private placement basis.

It is proposed to issue Cumulative Redeemable Preference Shares with a coupon rate of 0.01% to the Creditors in settlement of their liabilities on such terms and conditions as may be agreed to with the creditors. The Board has constituted a committee of Directors to negotiate with the creditors and take their consent. To facilitate the Board to issue 0.01% Cumulative Redeemable Preference Shares in future, it is proposed to get the approval of the members for issue 0.01% Cumulative Redeemable Preference Shares upto an amount of Rs. 10 Crores. The Board may also allocate such number of 0.01% Cumulative Redeemable Preference Shares to any individual, Body Corporate or any other person(s) as may be decided by the Board from time to time out of the aforesaid issue for meeting its long term financial requirements.

The aforesaid Cumulative Redeemable Preference Shares are not proposed to be listed as the same are proposed to be offered by way of private placement.

Members approval under the provisions of section 80 & 81(1A) of the Companies Act, 1956 is sought by way of special resolution. The Directors recommend and place before you the proposed resolution for your consideration and approval.

The Directors may be deemed to be concerned or interested to the extent of any shares subscribed by them or by the Companies in which they are Directors or Members.

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

The Board of Directors of the Company is exploring new avenues and contemplating strategic tie-ups for Long term value creation and to generate regular revenues in the Company. New ventures are being explored by the management of the Company to make a foray into the growing Capital Market based on the Investment objective of the Company. The Company was trying to get into the business of Investment in Securities for a long time. For that purpose the object clause of the Memorandum of the Company was altered years back to include the business relating to investment in Securities in the "Main Object" clause of the Memorandum of Association of the Company. The Company is also contemplating to look into strategic investment propositions.

The Board is of the view that a treasury division for investment in the Company be made, which shall invest funds of the Company, not immediately required for other business purposes from time to time in various securities viz., shares of other body corporate, Units of Mutual Funds etc. for the purpose of value creation and to generate regular revenues in the Company.

The proposed investments of the company may exceed the limit prescribed under section 372A of the Companies Act, 1956, i.e., 60% of the Paid-up Share Capital and free reserves of the Company or 100% of the free reserves of the Company whichever is more. Since the aforesaid section requires passing of Special Resolution for exceeding the limits prescribed, hence the proposed Special Resolution at item no. 10 of the notice. Limit of Rs. 25.00 Crores as proposed in the resolution is in addition to limits of investments, if any, earlier approved by the members under section 372A of the Companies Act, 1956.

The source of funds for the aforesaid investments shall be from fresh shareholders' funds, borrowings and current internal accruals and the purpose of the aforesaid investments would be to deploy funds from time to time in the profitable manner in corporate bodies, funds etc. in which the investments will be made as contained in the resolution subject to limit mentioned therein.

Approval of members by way of special resolution is required to for the aforesaid resolution.

None of the Directors is concerned or interested in proposed resolution.

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



## Notice (contd.)

**NETWORK  
LIMITED****ITEM NO. 11**

Your Company may commence in future all or any of the business of Financiers, Concessionaries etc. covered under Clause 11 of the Other Object Clause of the Memorandum of Association. Similarly it may also commence all or any of the business of Consultants- Financial, Commercial, Technical Managerial etc. covered under Clause 13 of the Other Object Clause of the Memorandum of Association.

As per provisions of Section 149(2A) of the Companies Act, 1956, approval of the shareholders in general meeting is required for commencement and undertaking business as set out in "Other Objects" clause.

To enable the Company to commence all or any of the business covered under Clause 11 & 13 of the Other Object Clause of the Memorandum of Association, the Board of Directors recommend and place before you the proposed resolutions for your consideration and approval.

None of the Directors is concerned or interested in proposed resolution.

**ITEM NO. 12**

For its operations and/ or expansion of the Company the Board of Directors of the Company may require to borrow money from one or more Banks, Financial Institutions or other lenders from time to time.

As per the provisions of Section 293(1)(d) of the Companies Act, 1956 the company can not borrow in excess of its paid-up capital & free reserves without approval of the members. The aforesaid borrowings may exceed the aggregate of the Paid-up Share Capital of the Company and its free Reserves, that is to say reserves not set apart for any specific purpose.

To enable and authorize the Board of Directors of the Company to borrow money upto an amount aggregating Rs. 20.00 Crores as proposed in the resolution, your

approval is sought under Section 293(1)(d) of the Companies Act, 1956.

The Board of Directors recommend and place before you the proposed resolutions for your consideration and approval.

None of the Directors is concerned or interested in proposed resolution.

**ITEM NO. 13**

The Board may require to create charge on the property (present or future) to secure the borrowings, if made by the Company from one or more Banks, Financial Institutions or any other lender from time to time.

As per the provisions of Section 293(1)(a) of the Companies Act, 1956 the company can not create charge on whole or substantially the whole of the undertaking of the Company without approval of the members.

Your approval is sought under Section 293(1)(a) of the Companies Act, 1956 to enable the Board to create charge on the property of the Company upto an amount aggregating Rs. 20.00 Crores.

None of the Directors is concerned or interested in proposed resolution.

So the Directors recommend and place before you the proposed resolutions for your consideration and approval.

**By Order of the Board  
For Network Ltd.**

**New Delhi  
July 19, 2005**

**Sd/-  
Rahul Jha  
Manager**