

19th
Annual Report
2007-2008

**NETWORK
LIMITED**

Board of Directors	:	Ashok Sawhney Avinash Chander Paliwal Pankaj Shrimali Vijay Kalra
Manager	:	Amian Sawhney
Company Secretary	:	Ajay Mittal
Auditors	:	S. Kapoor & Associates Chartered Accountants
Bankers	:	State Bank of Mysore HDFC Bank Vijaya Bank Axis Bank
Registered office	:	W-41, Okhla Industrial Area Phase - II, New Delhi 110 020 Tele: 011-40564881/40564883 Fax: 011-26389770
Corporate office	:	P-1, UGF, Vishal Chambers Sector-18, Noida - 201301 Tele: 0120-2511808 Fax: 0120-4016570
Registrar and Share Transfer Agent	:	Alankit Assignments Ltd. Alankit house, 2E/21 Jhandewalan Extension New Delhi - 110 055 Tel.: 011 - 42541955 Fax : 011-42540064

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Notice

**NETWORK
LIMITED**

NOTICE is hereby given that the Nineteenth Annual General Meeting of the Company will be held on Wednesday, 24th day of September, 2008 at 10.00 A.M. at **MPCU 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 Balance Sheet of the Company as at 31st March, 2008 and Profit and Loss Account for the Year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Pankaj Shrimali, who retires by rotation and being eligible, offers himself, for re-appointment.
3. To appoint auditors 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. Ashok Sawhney, who was appointed as an Additional Director of the Company pursuant to section 260 of the Companies Act, 1956 and Article 81 of the Articles of Association of the Company and who holds office up to the date of ensuing Annual 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 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. Avinash Chander Paliwal, who was appointed as an Additional Director of the Company pursuant to section 260 of the Companies Act, 1956 and Article 81 of the Articles of Association of the Company and who holds office up to the date of ensuing Annual 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 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, if any, of the Companies Act, 1956 read with Schedule XIII to the said Act, as amended, and subject to such other approval as may be necessary, consent of the Company be and is hereby accorded to the re-appointment of Mr. Aman Sawhney as “Manager” of the Company in terms of Section 2(24) of the Companies Act, 1956 without any remuneration for a period of one year with effect from 21st August, 2008.

RESOLVED FURTHER THAT the Board be and is hereby authorised 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 a Special Resolution:**

“RESOLVED THAT pursuant to Section 372A and other applicable provisions, if any, of the Companies Act, 1956 and subject to such other approvals as may be required, the Board be and is hereby authorised to make an investment of a sum of Rs. 10 crores (Rupees Ten Crores only) through subscription and /or any other negotiated deals and/or through incorporation of a new Company(ies) proposed to be incorporated as subsidiary Company (ies) and/or as an overseas subsidiary of the Company, in excess of 60% of the paid-up capital and free reserves or 100% of its free reserves, whichever is more.”

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things as may be expedient and necessary to give effect to this resolution.

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

Sd/-

**Place : New Delhi
Date : August 27, 2008**

**Ajay Mittal
Company Secretary**

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 the attendance slip duly filled in and signed for attending the meeting with the copy of notice.
5. The Register of Members and Share Transfer Books shall remain closed from 17th September, 2008 to 24th September, 2008 (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. **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.**
8. DETAILS OF DIRECTOR SEEKING APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING (IN PURSUANCE OF CLAUSE 49 OF THE LISTING AGREEMENT)

Name of the Director	Ashok Sawhney	Avinash Chander Paliwal	Pankaj Shrimali
Date of Birth & Age	1 st July, 1938 Age : 70 Years	16 th March, 1946 Age: 62 Years	17 th July, 1962 Age: 46 years
Date of Appointment	27 th May, 2008	27 th May, 2008	18 th February, 2005
Qualifications	MBA	B.A.	B.com (H), FCA, FCS, FCWA
Expertise in specific functional Area	He is having vast experience in manufacturing Watch Dials field.	He is having vast experience in manufacturing and export of textile products, handloom products	Over 23 years of experience in area of Finance, Account, Secretarial, Corporate Management, Legal & Corporate consultancy services, Investment Banking Etc.
List of Companies in which outside Directorship is held	Standard Suppliers Pvt. Ltd. Network Retail Ltd. Network Realty Ventures Ltd. Network Hospitality Ltd.	Paliwal Infrastructures Pvt. Ltd. Paliwal Overseas Pvt. Ltd. Network Realty Ventures Ltd.	PPS Towers Pvt. Ltd. International Amusement Ltd. Network Retail Ltd. Network Realty Ventures Ltd. Network Hospitality Ltd. Kritikal Solutions Pvt. Ltd.
Chairman/ Member of the Committees of the Board of the Companies on which he is a Director	Nil	Nil	Nil

Notice (contd.)**NETWORK
LIMITED****EXPLANATORY STATEMENT AS REQUIRED BY
SECTION 173(2) OF THE COMPANIES ACT, 1956****ITEM No. 4**

Mr. Ashok Sawhney was appointed as an Additional Director by the Board of Directors of the Company on 27th May, 2008, in terms of Section 260 of the Companies Act, 1956 and Article 81 of the Articles of Association of the Company to hold office till the date of the ensuing General Meeting and is 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 Mr. Ashok Sawhney as a candidate for the office of Director.

The Board of Directors consider that Mr. Ashok Sawhney's appointment as a Director would be in the interest of the Company and recommends his appointment for which your approval is required.

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

ITEM No. 5

Mr. Avinash Chander Paliwal was appointed as an Additional Director by the Board of Directors of the Company on 27th May, 2008 in terms of Section 260 of the Companies Act, 1956 and Article 81 of the Articles 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 Mr. Avinash Chander Paliwal as a candidate for the office of Director.

The Board of Directors considers that Mr. Avinash Chander Paliwal'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. Avinash Chander Paliwal himself may be deemed to be concerned or interested in the proposed resolution.

ITEM NO. 6

The present period of Mr. Aman Sawhney as Manager of the Company expired on 20th August, 2008. Mr.

Aman Sawhney has been appointed as Manager of the Company in terms of section 2(24) of the Companies Act, 1956 with effect from 21st August, 2008 without any remuneration for a period of one year.

Mr. Aman Sawhney is a commerce graduate and MBA (Operation Management & MIS) from Vanderbilt University, U.S.A. he has about 18 years of experience in quality control, manufacturing and marketing of high quality precision wrist watches/dials & life style products.

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 resolution for your consideration and approval.

ITEM NO. 7

As you are aware that during the year, Company has incorporated three subsidiaries companies i.e. Network Retail Limited, Network Realty Ventures Limited and Network Hospitality Limited for retail, realty and hospitality business.

For further expansion of existing activities, the Board proposes to incorporate subsidiary companies and/or overseas subsidiary (ies).

In term of the requirement of the first proviso to section 372A of the Companies Act, 1956, your approval is being sought for making the proposed investment. The proposed investment shall be made out of internal resources of the Company. Further, the Company has not accepted any deposits from public in terms of section 58A of the Companies Act, 1956.

None of the Directors of the company are interested/concerned in the Special Resolution except such of your Directors, who either themselves or whose relative may be appointed as Directors of the proposed company or as member of the proposed company.

The Board recommends the proposed resolution as a special resolution for your approval and consideration.

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

Sd/-

**Place : New Delhi
Date : August 27, 2008**

**Ajay Mittal
Company Secretary**

Director's Report**NETWORK
LIMITED****TO THE MEMBERS OF****NETWORK LIMITED**

Your Directors have pleasure in presenting their 19th Annual Report of the Company together with the Audited Accounts of the Company for the Financial Year ended 31st March, 2008.

FINANCIAL HIGHLIGHTS

The highlights of Financial Results for the Financial Year ended 31st March 2008 in comparison to the Financial Year ended 31st March 2007 are as follows:

PARTICULARS	(Rs. In Lacs)	
	2007-2008	2006-2007
Total Income	315.48	30.78
Total Expenditure	502.20	52.74
Profit/ (Loss) before Interest,		
Depreciation & Tax	(186.72)	(21.96)
Depreciation	6.67	2.36
Profit/ (Loss) before Tax	(193.39)	(24.32)
Provision for Fringe Benefit Tax	0.96	0.10
Provision for Taxation	-	-
for earlier Years		
Profit/ (Loss) after Tax	(194.35)	(24.42)
Add: Profit/ (Loss)	(4213.87)	(4189.45)
brought forward		
Profit/ (Loss) carried to	(4408.22)	(4213.87)
the Balance Sheet		

OPERATIONAL REVIEW

During the year under review, the Company incurred a loss of Rs. 194.35 Lacs as against the loss of Rs. 24.42 Lacs in the previous year.

Also during the Year under review, the Company has recorded a Total Income of 315.48 Lacs as against the Income of Rs 30.78 Lacs in the previous year.

Yours Directors are also pleased to inform you that the Company in future is looking to make Strategic Investment in Value Added Projects in Real Estates, which are likely to provide fruitful results in coming years.

The Company has Six Showrooms/Retail shops by the name of 'Swiss Junction' at Various Parts of India & is developing distribution Model likely to provide fruitful results in coming years.

The detailed Management Discussion and Analysis Report is attached hereto with Directors' Report.

Unclaimed Debenture Redemption amount/ interest amounting to Rs. 12.88 Lacs had not been claimed by the debenture holders and due for transfer to the Investor Education and Education Protection Fund (IEPF) as per the provisions of section 205 C the Companies Act, 1956.

FUTURE PROSPECTS

The Board of Directors of the Company has considered and approved in principle merger of PPS Towers Pvt. Ltd., Lorgan Consultants Pvt. Ltd. and Shrgan Investment Consultants Pvt. Ltd. with Network Ltd and de-merger of Retail Division of Company as part of scheme and write off losses against reserves/ capital. An application has been filed with Bombay Stock Exchange (BSE) for approval of the said scheme.

With a view to have a more focused approach to the development of retail business and pursue emerging growth opportunities in this sector, the Board of the Directors of the Company has decided to de-merge the retail division of the company to a subsidiary company Network Retail Limited. The company is also envisaging huge opportunities in the investment business in various formats.

SUBSIDIARY ORGANISATIONS

During the year, The Company has formed three Subsidiaries, viz. Network Retail Limited, Network Hospitality Limited and Network Realty Ventures Limited. The Subsidiaries are formed to primarily engaged in Retail Sector, Hospitality Sector and Real Estate Sector respectively. Audited Accounts along with the auditors and directors report thereon of Subsidiary Companies – Network Retail Limited, Network Realty Ventures Limited and Network hospitality Limited, for the year ended 31.03.2008 are enclosed herewith.

CHANGE OF REGISTERED OFFICE

The registered office of the Company has been shifted from 416 , World Trade Centre, Babar Road , New Delhi :- 110001. To W – 41 , Okhla Industrial Area , Phase – II , New Delhi- 110020.

CHANGE IN CAPITAL STRUCTURE

- The Company has issued 74,50,000 warrants with an option to be converted into equity shares within a period of 18 months from the date of allotment of warrants on 07.09.2007
- The Company has allotted 11,60,000 Equity Shares of Rs. 10/- each on 20.10.2007 and 12,10,000 Equity Shares of Rs.10/- each on 06.03.2008 to non-promoter group (strategic investors) by conversion of warrants issued on 07.09.2007.
- The Company has allotted 2,20,000 Equity Shares of Rs.10/- each on 20.10.2007 to San Share Shoppe Pvt. Ltd. on conversion of 0.01% Cumulative Optionally Convertible Preference Shares (OCPS) issued on 10.10.2006.

Consequent to above, the Company's subscribed, issued and paid-up equity share capital has increased from 15.99 crores to 18.58 crores.

DIVIDEND

In view of the accumulated losses, your directors do not recommend any dividend for the Financial Year ended 31st March, 2008.

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.

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.

The Auditors have observed in their report that the procedures for physical verification of Inventory, internal control system

Director's Report (contd.)**NETWORK
LIMITED**

and the scope and coverage of Internal Audit needs to be strengthened having regard to the size and nature of the Company and its business. The management has taken necessary steps and all the above areas have been strengthened to meet the industry norms.

DIRECTORS

In accordance with the provisions of Companies Act, 1956 and the Articles of Association of the Company Mr. Ashok Sawhney and Mr. Avinash Chander Paliwal, were appointed as additional directors by the Board of Directors of the Company with effect from May 27, 2008, to hold office till the conclusion of ensuing Annual General Meeting. The Company has received notices together with money under section 257 of the Companies Act, 1956 from members proposing Mr. Ashok Sawhney and Mr. Avinash Chander Paliwal to be appointed as Directors of the Company. Your Board recommends for appointment of Mr. Ashok Sawhney and Mr. Avinash Chander Paliwal as Directors of the Company.

Mr. Ashok Sawhney is the Chairman of Sawhney group of Industries, well known for the manufacturing of 'UNIK' & 'AAA' Brand quality of Watch Dials & other parts in the country, Mr. Sawhney holds key position as CEO Worldwide for Lifestyle brands 'Swiss Military' & 'Alpine Club' of Switzerland. Mr. Avinash Chander Paliwal is CEO and MD of Paliwal Group of Companies. The main business of the group is manufacturing and export of home textiles, terry towels, organic towel, beach towel, wash towel, handloom products and woven besides having land bank in group Companies. Paliwal group has been a leading player in textile business for over three decades and have received many awards for excelling in this field.

Mr. Gian Vijeshwar and Mr. Rakesh Babbar, resigned from the Board of the Company with effect from July 1, 2008.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the company, Mr. Pankaj Shrimali, Director to retire by rotation at the ensuing Annual General Meeting and being eligible, have offered himself for re-appointment. Your Board also recommends for re-appointment of Mr. Pankaj Shrimali as Director of the Company.

MANAGER

The previous term of Mr. Aman Sawhney as Manager of the Company expired on 20th August, 2008. Mr. Aman Sawhney has been re-appointed as Manager in terms of Section 269 of the Companies Act, 1956 by the Board of Directors of the Company without any remuneration for a period of one year with effect from 21st August, 2008. The Board of Directors recommends for approval of the appointment of Mr. Aman Sawhney as Manager at the ensuing Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- That in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- That the Directors have 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;

- That the Directors have 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;
- That the Directors have 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 is 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 is no foreign exchange earnings although Company's expenditure in foreign exchange amounted to Rs. 186.13.Lacs towards payments to trade creditors during the financial year under review.

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
For Network Ltd.**

**Place : New Delhi
Date : August 27, 2008**

**Sd/-
Vijay Kalra
Director**

Report on Corporate Governance**NETWORK
LIMITED****REPORT ON CORPORATE GOVERNANCE**

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 of Directors consists of four Directors and all of them are non- executive directors.

Name of the Director	Category	No. of positions held in other Public Companies		
		Board	Committee *	
			Membership	Chairmanship
Mr. Ashok Sawhney*	Non – Executive	03	-	-
Mr. Avinash Chander Paliwal*	Non – Executive Independent	01	-	-
Mr. Pankaj Shrimali	Non– Executive Promoter	04	-	-
Mr. Vijay Kalra	Non – Executive Independent	-	-	-

* Mr. Ashok Sawhney and Mr. Avinash Chander Paliwal were appointed as additional directors of the company with effect from May 27, 2008.

Details of Persons, who ceased to be Directors on July 01, 2008

Name of the Director	Category	No. of positions held in other Public Companies		
		Board	Committee *	
			Membership	Chairmanship
Mr. Gian Vijeshwar	Non – Executive	10	02	01
Mr. Rakesh Babbar	Non – Executive Independent	10	01	02

*Membership/ Chairmanship of Audit Committee, Remuneration Committee and Investor's/ Shareholder's Grievances Committee/ Share Transfer Committee only.

Directors' Attendance Record

During the Financial Year 2007-08, 11 (Eleven) meetings of the Board of Directors were held on 03.04.2007, 29.06.2007, 06.07.2007, 28.07.2007, 07.09.2007, 17.10.2007, 20.10.2007, 30.10.2007, 11.12.2007, 28.01.2008 and 06.03.2008. 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 the Director	No. of Board Meeting	Attendance at the Board Meeting	Whether attended Last AGM
Mr. Gian Vijeshwar*	11	11	No
Mr. Rakesh Babbar*	11	11	No
Mr. Pankaj Shrimali	11	10	Yes
Mr. Vijay Kalra	11	11	Yes

*Mr. Gian Vijeshwar and Mr. Rakesh Babbar resigned from the Board of the Company on July 1, 2008.

Report on Corporate Governance (contd.)

The details under clause 49 of Listing Agreement of the director – Mr. Pankaj Shrimali seeking re-appointment at the Annual General Meeting is given under the notes to the notice of the Annual General Meeting.

Further, Mr. Ashok Sawhney and Mr. Avinash Chander Paliwal has been appointed as additional directors of the Company with effect from May 27, 2008 till the date of ensuing Annual General Meeting of the Company. The Board of the Company recommends for appointment of Mr. Ashok Sawhney and Mr. Avinash Chander Paliwal as Directors of the Company, the details under clause 49 of Listing Agreement of the directors – Mr. Ashok Sawhney and Mr. Avinash Chander Paliwal seeking appointment at the Annual General Meeting is also 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 comprises of Mr. Ashok Sawhney, Mr. Pankaj Shrimali and Mr. Vijay Kalra. Audit Committee was re-constituted on 27th May, 2008 on appointment of Mr. Ashok Sawhney and Mr. Avinash Chander Paliwal as Directors of the Company.

(c) Attendance

The Committee met Four (4) times during the Financial Year 2006-2007 on the following dates: 29.06.2007, 28.07.2007, 30.10.2007 and 28.01.2008.

Name of the Directors	Category	Designation	Attendance at the Audit Committee Meetings
Mr. Rakesh Babbar*	Non – Executive independent	Chairman	04
Mr. Pankaj Shrimali	Non – Executive	Member	04
Mr. Vijay kalra	Non – Executive Independent	Member	04

*Mr. Rakesh Babbar resigned from the Board of the Company on July 01, 2008.

4. REMUNERATION COMMITTEE

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

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 following Email ID has been created exclusively for redressal of investor grievances – network.limited@gmail.com

Report on Corporate Governance (contd.)**NETWORK
LIMITED****(ii) Composition:**

Name of the Directors	Category	Designation
Mr. Avinash Chander Paliwal	Non – Executive	Chairman
Mr. Rakesh Babbar*	Non – Executive Independent	Member
Mr. Pankaj Shrimali	Non – Executive	Member

*Mr. Rakesh Babbar resigned from the Board of the Company on July 01, 2008.

Due to appointment and resignation of directors, Shareholder's/ investor's Grievance Committee has been re-constituted. At present, Shareholder's/ investor's Grievance Committee comprises of Mr. Avinash Chander Paliwal, Mr. Pankaj Shrimali and Mr. Vijay Kalra

The Committee met Four (4) times during the Financial Year 2006-2007 on the following dates: 29.06.2007, 28.07.2007, 30.10.2007 and 28.01.2008.

(iii) Mr. Ajay Mittal, Company Secretary is the Compliance Officer of the Company to look after the compliances under the Listing Agreement and other SEBI Rules & Regulations etc.

(iv) During the year, the company received 7 (seven) complaints from the shareholders, all of which were resolved. There was no pending complaint & share transfers as on 31st March 2008.

6. GENERAL BODY MEETINGS

Financial Year	Location	Date	Time	No. of Special Resolution(s) passed
2006 – 07	MPCU Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Civil Lines, New Delhi 110.054	29.08.2007	2.00 P.M.	Nine
2005-06	MPCU Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Civil Lines, New Delhi 110 054	25.09.2006	3.00 P.M.	Eight
2004 – 05	MPCU Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Civil Lines, New Delhi 110 054	24.08.2005	10.30 A.M.	Six

POSTAL BALLOT

During the year under review, the company passed Special Resolutions through Postal ballot on two occasions, vide notice dated 20.10.2007 and 11.12.2007.

In respect of Notice dated 20.10.2007 Mr. Sanjeev Kumar, Practicing Chartered Accountant was appointed as the Scrutinizer for conducting postal ballot process. Mr. Rakesh Babbar, then Director and Mr. Ajay Mittal, Company Secretary, were authorised by the Board of the Directors to conduct the postal ballot process and were responsible for the entire postal ballot process.

In respect of Notice dated 11.12.2007 Mr. Nitin Agrawal, Practicing Chartered Accountant was appointed as the Scrutinizer for conducting postal ballot process. Mr. Rakesh Babbar, then Director and Mr. Ajay Mittal, Company Secretary, were authorised by the Board of the Directors to conduct the postal ballot process and were responsible for the entire postal ballot process.