

TO THE MEMBERS OF**NETWORK LIMITED**

Your Directors have pleasure in presenting their 22nd Annual Report of the Company together with the Audited Accounts of the Company for the Financial Year ended 31st March, 2011.

FINANCIAL HIGHLIGHTS

The highlights of Financial Results for the Financial Year ended 31st March, 2011 in comparison to the Financial Year ended 31st March, 2010 (9months) are as follows:

(Rs in Lacs)

PARTICULARS	STAND –ALONE		CONSOLIDATED	
	31 st March 11	31 st March 10	31 st March 11	31 st March 10
Total Income	116.20	101.68	187.17	120.68
Total Expenditure	114.43	42.86	243.95	98.53
Profit/(Loss) before depreciation	1.77	58.81	(56.78)	22.15
Depreciation	86.77	65.05	92.33	70.56
Profit / (Loss) before Tax	(85.00)	(6.23)	(149.11)	(48.41)
Provision for taxation	0.71	-	0.71	-
Profit / (Loss) after Tax	(84.29)	(6.23)	(148.40)	(48.41)
Add:- Profit/(Loss) brought forward	(269.80)	(263.57)	(327.72)	(279.30)
Profit/(Loss) carried forward to Balance Sheet	(354.09)	(269.80)	(476.12)	(327.72)

ECONOMIC SCENARIO

For India, the year 2010 was a year of contrasts. On one hand, the economy revived with steady growth, but inflation remained a concern and reforms were sluggish. While the stock market is still below its 2008 high, agri-commodities and some metals (base as well as precious) have crossed their peaks a while ago. Agri-commodities by far have been one of the best performing asset classes for 2010. India's IIP growth fell to 3.7% in January 2011. India's six core industries grew by 6.8 per cent in February 2011. However most economists/institutions still maintain a GDP growth forecast of 7.5% to 8.5% for India in FY12. Our assessment is that the long-term fundamentals of the Indian economy continue to be strong. These include favorable demographics, rising incomes, growing consuming class and a large investment pipeline. These growth drivers are expected to be sustained over medium-to-long term. The growth of the economy is being driven primarily by domestic investment and consumption, with limited

dependence on export or the demand situation in other economies. In addition, the growing economic activity in rural India and the emergence of smaller cities as important growth drivers are key positive developments.

At the same time, there are some concerns, particularly with regard to inflation. Inflationary pressure emerging from commodities and food prices have shown signs of becoming more generalized, leading to the containing of inflation becoming the key priority of policy makers. In addition, the global economic environment continues to remain uncertain with slow recovery and fiscal concerns in developed markets. We believe that while these challenges may have an impact on the short term and cause periodic volatility, the strong underlying fundamentals of the Indian economy would sustain high rates of growth over the medium to long term.

OPERATIONAL REVIEW

During the financial year under review, the company registered a cash profit of ₹1.77 Lacs on standalone basis and Loss of ₹ 56.78 Lacs on consolidated basis as against cash profit of ₹ 58.81 Lacs on standalone basis and ₹ 22.15 Lacs on consolidated basis in the previous year.

The Company had restructured and rationalized the retail operations in the previous year(s) so as to cut down mounting losses and liabilities thereto. The company now contemplates to take further action and measures to overcome the present situation of cash losses in the retail business, which has become unviable and uneconomical primarily due to rising establishment & logistics cost and hardening of swiss franc against all major global currencies over last three years. The company has suffered losses of about eighteen crs in retail and other business directly and /or through associates over a period of last four years, however the company is hopeful that trend of these losses would not be extendable from current year onwards. The management is exploring certain options including the option to eventually wind-up the retail operations completely and settle all liabilities.

The initiative taken by the company to realize the infertile and slow moving assets has slowly started bringing fruits and the company is hopeful to have better days ahead. The company has started business in commodities, forex and derivative products, with the aim to ensure that the company is not dependent on any one market segment alone. The company is hopeful to exploit the opportunities in areas of forex , commodities and derivative products as part of expansion & diversification. Commodities actually offer immense potential to become a separate asset class for market-savvy investors, arbitrageurs and speculators. The

company intends to further consolidate the business of commodities through national spot exchange. This is a unique market segment which functions just like cash segment in securities, but offering commodities like gold, silver, copper, zinc and lead in the demat form. The size of the commodities markets in India is also quite significant. Of the country's GDP of Rs 13,207.3 billion, commodities related (and dependent) industries constitute about 58 per cent. Your company will concentrate on these emerging trends in the domestic market and will take steps to encash such opportunities for future growth. Your Company is also exploring opportunities in forex rates, like any other assets class moves depending on various factors, like demand supply, interest rates parity, trade and capital flows, speculation taking position, client hedging risk arising from their trade and capital flows etc. In the context of growing integration of the Indian economy with the rest of the world and a continuous demand for currency derivatives in other currencies, the authorities have permitted trading in future contracts based on Euro (EUR)-INR, Pound Sterling (GBP) – INR and Japanese Yen (JPY) – INR exchange rates in addition to the USDINR contracts.

The company is continuing with task to build businesses with long term goals through its intrinsic strength in corporate and investment research. To accelerate further value creation, your company continues to work on new fields through collaboration, association and strategic investments.

OPPORTUNITIES AND THREATS

The Company is exploring opportunities in the sphere of forex, commodities and derivative products as part of expansion & diversification for long term value creation, by way of collaboration, association and strategic investments. The performance of the company would be closely linked to the Indian Capital Market, commodities market & global currency fluctuations and consequently to the risks associated with market operations. The value of the company's investments and trades in commodities, forex and derivative products may be affected by factors affecting financial, commodities and capital markets such as price and volume volatility, interest rates, government policy changes, political and economic developments, crude oil prices and economic performance abroad.

DIVIDEND

In view of net loss incurred by the Company, your directors do not recommend any dividend for the Financial Year ended 31st March, 2011.

PUBLIC DEPOSITS

The Company has not accepted any deposits from the public in terms of Section 58A of the Companies Act, 1956 during

the year under review.

AUDIT COMMITTEE

The Audit Committee presently comprises of the following Directors as its members:

1. Mr. Vijay Kalra
2. Mr. G S Goyal
3. Mr. Ashok Sawhney
4. Mr. Aman Sawhney

The Audit Committee met four times during the year.

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 observations of the Auditors on the Accounts for the period under report have been suitably explained in the notes on Accounts and did not require any further clarification.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

An adequate system of internal control is in place which mandates maintaining proper accounting records and assures reliability of financial information.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the company, Mr. Pankaj Shrimali and Mr. G S Goyal, Directors retires by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment. Your Board also recommends for re-appointment of Mr. Pankaj Shrimali and Mr. G S Goyal as Directors of the Company.

Brief resume of Mr. Pankaj Shrimali and Mr. G S Goyal, nature of their expertise in specific functional areas and name of companies in which they holds the directorship and membership/ chairmanship of committees of the Board, as stipulated under clause 49 of the Listing Agreement with Stock Exchange, appear in the Notice of Annual General Meeting.

SUBSIDIARY COMPANY AND CONSOLIDATED FINANCIAL RESULTS

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit & Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. The Company will make available the Annual Accounts of the subsidiary company

and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary Company will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary company. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary company. The consolidated financial statements are prepared in strict compliance with applicable Accounting Standards. The Financial Statements have been prepared from audited financial statements received from subsidiary company, as approved by their respective Board. The Board of the Company has approved the proposal of amalgamation/merger of loss making closely held, unlisted subsidiary of the company - Network Retail Limited (NRL), with United Manufacturing Company (Delhi) Private Limited (UMC) along with BDA Infrastructures Private Limited (BDA), another company. This Scheme of amalgamation is under process.

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 had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit/ loss of the Company for that period;
- That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That the Directors had prepared the annual accounts on a going concern basis.

PARTICULARS OF EMPLOYEES

During the year under review, none of employees are covered under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

- Your Company did not carry out any activity relating to Research & Development, Technology Absorption during the year under review. Hence particulars in this regard as per the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 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 or outgo during the current financial period.

HUMAN RESOURCE AND INDUSTRY RELATIONS

The Company recognizes the importance and contribution of its human resources for its growth and development and is committed to the development of its people.

The Company has cordial relations with employees and staff. There are no industry relation problems during the year and company does not anticipate any material problems on this count in the current year.

CORPORATE GOVERNANCE

In terms of the listing agreement with Stock Exchange, the company is required to comply with the corporate governance provisions. As a listed company, necessary measures have been taken to comply with the listing agreements with the stock exchange. The annexed report on Corporate Governance along with a certificate of compliance from the practicing Company Secretary forms part of this report.

ACKNOWLEDGEMENT

Your Directors acknowledge the support of the shareholders and also wish to place on record their appreciation of employees for their commendable efforts, teamwork and professionalism. The Directors also express their grateful thanks to the Banks, Government Authorities, Customers, Suppliers, Employees and other Business Associates for their continued cooperation and patronage.

For and on behalf of the Board of Directors

Sd/-

Sd/-

Date : 05.08.2011
Place: New Delhi

Ashok Sawhney
Chairman

Avinash Chander Sharma
Director

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 comprises of following members:

Name of the Directors	Category	No. of positions held in other Public Companies		
		Board	Committee *	
			Membership	ChairmanShip
Mr. Ashok Sawhney	Non – Executive	02	01	-
Mr. Aman Sawhney	Executive	-	-	-
Mr. Avinash Chander Sharma	Non – Executive Independent	01	-	-
Mr. Pankaj Shrimali	Promoter Non - Executive	01		01
Mr. Vijay Kalra	Non – Executive Independent	01	01	-
Mr. G S Goyal	Non – Executive Independent	-	-	-

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

Directors' Attendance Record

During the Financial Year 2010-11, (Four) meetings of the Board of Directors were held on 17.05.2010, 28.07.2010, 10.11.2010 & 07.01.2011. The intervening period between the Board Meetings was well within the maximum time gap of four months as prescribed in clause 49 of the Listing Agreement.

Name of Directors	No. of Board Meeting	Attendance at the Board Meeting	Whether attended Last AGM
Mr. Ashok Sawhney	04	04	Yes
Mr. Aman Sawhney	04	04	Yes
Mr. Avinash Chander Sharma	04	04	No
Mr. Pankaj Shrimali	04	04	Yes
Mr. Vijay Kalra	04	04	Yes
Mr. G S Goyal	04	04	Yes

The details under clause 49 of Listing Agreement of the directors – Mr. Pankaj Shrimali and Mr. G S Goyal seeking appointment at the Annual General Meeting is given under the notes to the notice of the Annual General Meeting.

3. AUDIT COMMITTEE

(a) Terms of Reference

The Audit Committee has been constituted as per Section 292A of the Companies Act, 1956 and the provisions of the Clause 49 of the Listing Agreement. The Audit Committee is responsible for effective supervision of the financial reporting process, ensuring financial and accounting controls and compliance with financial policies of the Company. The other roles and terms of reference of Audit Committee covers areas mentioned under clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, besides other terms as may be referred by the Board of Directors from time to time.

(b) Composition

The Audit Committee presently comprises of Mr. Vijay Kalra, Mr. Ashok Sawhney, Mr. Aman Sawhney and Mr. G S Goyal.

(c) Attendance

The Committee met four (4) times during the Financial Year 2010-2011 on the following dates: 17.05.2010, 28.07.2010, 10.11.2010 & 07.01.2011

Name of the Directors	Category	Designation	Attendance at the Audit Committee Meeting
Mr. Vijay Kalra	Non – Executive Independent	Chairman	04
Mr. Ashok Sawhney	Non – Executive	Member	04
Mr. Aman Sawhney*	Executive	Member	01
Mr. G S Goyal	Non – Executive Independent	Member	04

* Audit Committee was re-constituted on 07.01.2011

4. REMUNERATION COMMITTEE

Remuneration committee was not required to be constituted.

The Non-Executive Directors have not drawn any remuneration from the company except sitting fees of Board meeting attended by them and profession fees for proving professional consultancy and advise. The Non-Executive Directors did not have any other material pecuniary relationship for transactions vis-à-vis the company during the year.

5. INVESTORS GRIEVANCE COMMITTEE

- (i) In compliance with the requirements of the Corporate Governance under the Listing Agreement with the Stock Exchange, the Company has constituted an “Investors’ Grievance Committee” to look into issues relating to shareholders including share transfer. The Email ID – investor@network.limited.net is exclusively for redressal of investor grievances

(ii) **Composition:**

Name of the Directors	Category	Designation
Mr. Ashok Sawhney	Non – Executive	Member
Mr. Avinash Chander Sharma	Non – Executive Independent	Member
Mr. Aman Sawhney	Executive	Member

The committee met four (4) times during the year on 17.05.2010, 28.07.2010, 10.11.2010 & 07.01.2011.

- (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 has received four complaints from the shareholders, which were resolved. There was no pending complaint & share transfers as on 31st March., 2011

6. ANNUAL GENERAL MEETINGS

Financial Year	Location	Date	Time	No. of Special Resolution (s) passed
2009-10	MPCU Shah Auditorium, Shree Delhi Gujrati Samaj Marg, Civil Lines, New Delhi – 110 054	14.07.2010	2.00 P.M	Two
2008-09	Shri Sathya Sai International Centre, Pragati Vihar, Lodhi Road (Opposite Sai Baba Temple) New Delhi – 110 003	15.09.2009	4.00 P.M.	Four
2007-08	MPCU Shah Auditorium, Shree Delhi Gujrati Samaj Marg, Civil Lines, New Delhi – 110 054	24.09.2008	10.00 A.M.	One

POSTAL BALLOT

No resolution was put through Postal Ballot in the last year and no special resolutions requiring postal ballot are being placed for shareholder’s approval in Annual General Meeting.

7. DISCLOSURES

(a) Related Party Transactions

The particulars of transactions between the Company and its related parties as per the accounting standard is set out in Item No. 9 of Notes to Accounts of the Annual Report. However, these transactions are not likely to have potential conflict with the Company’s interest.

(b) **Non compliance by the Company, Penalties, Strictures**

The Company has complied with various rules and regulations prescribed by the Stock Exchange, Securities and Exchange Board of India or statutory authorities relating to capital markets during the last three years. No penalties and strictures have been imposed by them on the company in this regard.

8. MEANS OF COMMUNICATION

- (a) The unaudited quarterly, half-yearly and audited yearly financial results of the company are sent by fax and also by courier service to the Bombay Stock Exchange.
- (b) The Quarterly / half-yearly / annual accounts results are published in the English and Hindi Newspaper.
- which newspaper normally published in The Pioneer (English) & Veer Arjun (Hindi)
- Any website where displayed www.networklimited.net
- whether it also displays official news release No
- whether presentations made to institutional investors or to analyst No
- (c) The Management Discussion and Analysis forms part of Directors' report.

9. GENERAL SHAREHOLDERS INFORMATION

i) Annual General Meeting

Day & Date	Time	Venue
Friday, 23 rd September, 2011	2.30 P.M.	MPCU Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Delhi – 110 054

ii) Financial Calendar

Financial Reporting for the quarter ended 30 th June, 2011	within 45days from the end of the quarter
Financial Reporting for the quarter ended 30 th September, 2011	within 45days from the end of the quarter
Financial Reporting for the quarter ended 31 st December, 2011	within 45days from the end of the quarter
Audited Results for the financial year ended 31 st March, 2012	within sixty days from the end of last quarter 31 st March, 2012

iii) Dates of Book Closure

16th September, 2011 to
23rd September, 2011
(Both days inclusive)

iv) Dividend Payment Date

Not applicable

v) Listing on Stock Exchange: The Shares of the Company are listed on the Bombay Stock Exchange Ltd, Listing fees for the year 2011-2012 has been paid.

vi) Stock Code/ Symbol: 523558 at the Bombay Stock Exchange Ltd (BSE).

vii) Market Price Data: High/ low of market price of the Company's equity shares traded frequently on BSE during the last financial year were as follows:

Month	High	Low	Month	High	Low
Apr – 10	15.94	11.72	Oct-10	14.80	12.60
May – 10	16.00	10.74	Nov-10	16.20	10.61
Jun – 10	13.99	10.05	Dec-10	14.00	10.51
Jul – 10	14.00	11.21	Jan-11	14.45	10.15
Aug – 10	16.75	11.07	Feb-11	12.45	08.44
Sep – 10	15.40	12.00	March-11	12.17	08.57

Source: www.bseindia.com

Viii) Registrar and Share Transfer Agent & Share Transfer System - M/s. Alankit Assignments Limited is the Registrar and Share Transfer Agent for the shares of the Company in both physical as well as electronic modes. All correspondence with regard to share transfers and matters related therewith may directly be addressed to the Registrar and Share Transfer Agents at the address given below:

Name	:	Alankit Assignments Limited
Address	:	Alankit House, 2E/21, Jhandewalan Extn., New Delhi-110 055
Telephone No	:	011-42541955
Fax No.	:	011-42540064

ix) Share Transfer System: The Company's shares are traded on Bombay Stock Exchange Ltd (BSE) compulsorily in

Demat mode. Physical shares which are lodged with the Registrar & Transfer Agent or Company for transfer are processed and returned to the shareholders duly transferred within the time stipulated under the Listing Agreement subject to the documents being in order.

x) **Distribution of Shareholding as on 31st March, 2011:**

Category	No. of share held	% of shareholding
A Promoter's holding		
1. Promoters & Promoter Group	29,952,341	60.94
2. Persons acting in concert	-	-
Sub - Total (A)	29,952,341	60.94
B. Non - Promoters Holding		
3. Institutional Investors	Nil	Nil
a. Mutual Fund and UTI	800	0.00
b. Banks, Financial Institutions, Insurance Companies		
(Central/ State Govt. Institutions/ Non - Govt. Institutions)	Nil	Nil
c. FIIs	7600	0.02
Sub - Total (B)	8400	0.02
4. Other		
a. Private Corporate Bodies	14,646,092	29.80
b. Resident Indian Public	4,528,048	9.21
c. NRIs/ OCBs	13617	0.03
Sub - Total	19,187,757	39.04
Grand Total	49,148,498	100.00

xi) **Dematerialization of shares and liquidity:** As on 31st March, 2011 about 96.22% of the Company's equity paid-up capital had been dematerialized. Trading in equity shares of the Company at the Stock Exchange is permitted compulsorily in demat mode.

xii) There are no outstanding GDRs/ ADRs/ Warrants and other convertible instruments.

xiii) **Address for Correspondence:** The shareholders may send their communication grievances/ queries to the Registrar and Share Transfer Agents at their Address mentioned above or to the Company at:

Regd. Office: W-41, Okhla Industrial Area, Phase II, New Delhi-110 020

xiv) **Compliance Certificate on Corporate Governance:** Certificate from the M/s. Agrawal Manish Kumar & Co., Practicing Company Secretaries confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49, is annexed to Director's Report forming part of the Annual Report.

10. CEO/CFO Certification

As required by Clause 49 of the Listing Agreement, the certificate duly certified by Mr. Aman Sawhney, Director & Manager and Mr. Dhiraj Sharma, Chief Financial Controller was placed before the Board at its meeting held on 5th August, 2011. This certificate is annexed to the report.

11. Compliance of Code of Conduct

Your Company has laid down a Code of Conduct for all the Board Members and Senior Management personnel of the Company. All the Board Members and senior management personnel have affirmed their compliance with the said Code of Conduct for the financial year ended 31st March, 2011, the declaration to this effect duly signed by Mr. Aman Sawhney, Director & Manager of the Company is give hereunder:

<p>Declaration under Clause 49 (1D) for Compliance with the Code of Conduct</p> <p>As per the requirements of the clause 49 of the Listing Agreement with the Stock Exchange, the company has laid down a Code of Conduct for its Board and Senior Management.</p> <p>1, Aman Sawhney, Director & Manager of Company confirm the compliance of the Code of Conduct by myself and other members of the Board of Senior Management Personnel as affirmed by them individually</p> <p style="text-align: right;">Sd/-</p> <p>Place: New Delhi</p> <p>Date: 05.08.2011</p>	<p style="text-align: right;">AMAN SAWHNEY</p> <p style="text-align: right;">DIRECTOR & MANAGER</p>
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12. NON-MANDATORY REQUIREMENTS

The Company proposes to adopt the non-mandatory requirements given in Annexure-3 of Clause 49 of the listing agreement in due course of time.

For and on behalf of the Board of Directors

Date: 05.08.2011
Place: New Delhi

Sd/-
ASHOK SAWHNEY
CHAIRMAN

Sd/-
AVINASH CHANDER SHARMA
DIRECTOR

CEO/CFO CERTIFICATION

We, Aman Sawhney, Director & Manager and Dhiraj Sharma, Chief Financial Controller, responsible for the finance function certify that:

- a) We have reviewed the financial statements and cash flow statements for the year ended 31st March, 2011 and to the best of our knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the company during the year ended 31st March, 2011 are fraudulent, illegal or violate the company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the Auditors and Audit Committee and steps have been taken to rectify these deficiencies.
- d) We further certify that:
 - i) There has not been any significant changes in internal control over financial reporting during the year under reference;
 - ii) There has not been any significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting;

Date: 05.08.2011
Place : New Delhi

Sd/-
AMAN SAWHNEY
DIRECTOR & MANAGER

Sd/-
DHIRAJ SHARMA
CHIEF FINANCIAL
CONTROLLER

CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF LISTING AGREEMENT

TO THE MEMBERS OF NETWORK LIMITED

We have examined the compliance of conditions of Corporate Governance by Network Limited, for the year ended on 31st March, 2011, as stipulated in Clause 49 of the listing Agreement of the said Company with stock exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. In our opinion and to the best of our information and according to the explanations given to us, the representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in above mentioned Listing Agreement and that no investor grievance(s) is/are pending for a period exceeding one month against the Company as per records maintained by the Investors Grievance Committee.

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

FOR AGRAWAL MANISH KUMAR & CO
Company secretaries

Sd/-
MANISH KUMAR AGRAWAL
PROPRIETOR
C.P. NO. 7057

Date : 05.08.2011
Place : New Delhi

CONSOLIDATED FINANCIAL STATEMENT OF NETWORK LIMITED
AUDITORS' REPORT



To,

The Members of Network Limited,

1. We have audited the attached Consolidated Balance Sheet of Network Limited (the company), and its subsidiary Network Retail Limited as at 31st March 2011 and its Consolidated Profit and Loss Account and also the Consolidated Cash Flow Statement for the year on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the consolidated financial statements have been prepared by the Company Management in accordance with the requirements of Accounting Standard – 21, Consolidated Financial Statements issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial

statements of the Company and its subsidiary included in the consolidated financial statements.

Based on our audit and on Consolidation of reports on separate financial Statements and on other financial information, in our opinion and to the best of our information and according to the explanations given to us, the said consolidated accounts read together with notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Consolidated Balance Sheet, of the state of the affairs of the company as at 31st March, 2011
- b) in the case of the Consolidated Profit and Loss Account, of the loss for the year ended on that date: end
- c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date:

For and on behalf of
S. Kapoor & Associates
Chartered Accountants

Place: New Delhi
Dated: 05th Aug 2011

Sd/-
Sanjay Kapoor
F.C.A. (Proprietor)
Membership No.82499

CONSOLIDATED FINANCIAL STATEMENT OF NETWORK LIMITED
BALANCE SHEET AS ON 31ST MARCH 2011



	Schedule	As at 31.03.2011 ₹ in lacs	As at 31.03.2010 ₹ in lacs
SOURCES OF FUNDS			
Shareholders Funds :			
Share Capital	1	4,914.91	4,914.85
Reserve & Surplus	2	791.49	791.49
TOTAL		<u>5,706.40</u>	<u>5,706.34</u>
APPLICATION OF FUNDS			
Fixed Assets:			
Gross Block	3	525.75	523.90
Less: Depreciation		206.16	113.83
Net Block		<u>319.58</u>	<u>410.07</u>
Investment	4	2,216.09	2,209.63
Current Assets, Loans and Advances:			
Sundry Debtors	5	0.78	2.96
Inventories	6	1,937.90	185.12
Cash & Bank	7	698.03	1,056.19
Loans & Advances	8	88.89	1,542.03
		<u>2,725.60</u>	<u>2,786.30</u>
Less:			
Current Liabilities and Provisions:			
Current Liabilities	9	31.00	26.27
Provisions		-	1.11
		<u>31.00</u>	<u>27.38</u>
Net Current Assets		<u>2,694.60</u>	<u>2,758.92</u>
Profit & Loss A/c		<u>476.13</u>	<u>327.72</u>
Total		<u>5,706.40</u>	<u>5,706.34</u>

Significant Accounting Policies

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Notes on Accounts

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The Schedules referred to above form an integral part of the Balance Sheet

On behalf of the board

For and on behalf of
S.KAPOOR & ASSOCIATES
Chartered Accountants

Sd/-
SANJAY KAPOOR
PROPRIETOR
M. No. 82499

Place : New Delhi
Dated : 05th Aug 2011

Sd/-
ASHOK SAWHNEY
CHAIRMAN

Sd/-
VIJAY KALRA
DIRECTOR

Sd/-
AMAN SAWHNEY
DIRECTOR &
MANAGER

Sd/-
AVINASH CHANDER SHARMA
DIRECTOR

Sd/-
PANKAJ SHRIMALI
DIRECTOR

Sd/-
AJAY MITTAL
COMPANY
SECRETARY

Sd/-
G S GOYAL
DIRECTOR

Sd/-
DHIRAJ SHARMA
CHIEF FINANCIAL
CONTROLLER