



24th ANNUAL REPORT 2012-2013

BOOK POST

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NETWORK LIMITED
W-41, Okhla Industrial Area, Phase-II
New Delhi - 110 020

NETWORK LIMITED

Board of Directors	:	Ashok Sawhney Aman Sawhney Avinash Chander Sharma Pankaj Shrimali Vijay Kalra G.S. Goyal
Manager	:	Aman Sawhney
Company Secretary	:	Ajay Mittal
Auditors	:	S. Kapoor & Associates Chartered Accountants
Bankers	:	State Bank of Mysore ICICI Bank HDFC Bank Vijaya Bank
Registered Office	:	W-41, Okhla Industrial Area Phase - II, New Delhi - 110020 Tele : 011-26389611 Fax : 011-26389770
Registrar and Share Transfer Agent	:	Alankit Assignments Ltd. Alankit House, 2E/21 Jhandewalan Extension, New Delhi - 110055 Tel. : 011-42541955 Fax : 011-42540064

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TO THE MEMBERS OF NETWORK LIMITED

Your Directors have pleasure in presenting their 24th Annual Report of the Company together with the Audited Accounts of the Company for the Financial Year ended 31st March, 2013.

FINANCIAL HIGHLIGHTS

The highlights of Financial Results for the Financial Year ended 31st March, 2013 in comparison to the Financial Year ended 31st March, 2012 are as follows:

(Rs in Lacs)

PARTICULARS	31 st March 13	31 st March 12
Revenue from Operations	420.85	403.10
Total Income	422.58	407.38
Total Expenditure	445.72	442.48
Profit/(Loss) before depreciation	(23.13)	(35.10)
Depreciation	86.91	86.66
Profit / (Loss) before Tax	(110.04)	(123.27)
Provision for taxation	-	-
Profit / (Loss) after Tax	(110.04)	(123.27)
Add:- Profit/(Loss) brought forward	(475.86)	(354.09)
Prior Period Adjustment	(3.33)	1.51
Profit/(Loss) carried forward to Balance Sheet	(589.23)	(475.85)

ECONOMIC SCENARIO

According to the latest estimate, Indian economy grew by 5% in FY 2013, reflecting lower than expected growth in both industry and service sectors. Inflation also was at elevated levels. However with commodity and crude oil prices on the decline from the peak and with various policy initiatives coming through, the economy is estimated to grow by around 6% in FY 2014 with lower inflation. Your Company's business performance was adversely affected by weak market sentiment resulting in losses.

OPERATIONAL REVIEW, OPPORTUNITIES AND THREATS

During the financial year under review, the company incurred loss after tax Rs.110.04 Lacs against loss of 123.27 Lacs in the previous year. The management of your company expects improvement in the current year with the stabilization in the business sentiments. The Company thrust is on trading and investment in commodities, forex and derivative products. This will be supplemented through more research and qualitative techniques for decision making. The company is continuing with task to build businesses with long term goals through 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. Outlook for the Company is linked to financial & commodities market with

local & global sentiments. The Board of the company believes that Company's Investments in Commodities, forex and derivative products would reasonably perform in ensuing years. The Company is exploring opportunities in the sphere of forex, commodities and derivative products 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 Financial Market, commodities market & global currency fluctuations and consequently to the risks associated with market operations. The performance of Indian financial & commodities market are in correlation with the economic growth of the country as well as global economy, performance of various sectors, inflation, global market, etc. Instability of any of the factors may affect the markets adversely. The financial market also covers hedging to protect against excessive losses and to avoid the uncertainty associated with future exchange rate movements more particularly associated with the sharp depreciation of the local currency which has been the case in the recent past.

DIVIDEND

In view of net loss incurred by the Company, your directors do not recommend any dividend for the Financial Year ended 31st March, 2013.

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.

INTERNAL CONTROLS 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. Ashok Sawhney and Mr. Avinash Chander Sharma, 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. Ashok Sawhney and Mr. Avinash Chander Sharma as Directors of the Company. Brief resume of Mr. Ashok Sawhney and Mr. Avinash Chander Sharma, 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, which forms part of this Annual Report.

SUBSIDIARY COMPANY

The Company does not have any subsidiary Company.

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:

- a) That in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) 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;
- c) 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;
- d) 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 are 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 are 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/-

Date: 29.07.2013

Place: New Delhi

ASHOK SAWHNEY
CHAIRMAN

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	01	-	-
Mr. Aman Sawhney	Executive	-	-	-
Mr. Avinash Chander Sharma	Non – Executive Independent	02	-	-
Mr. Pankaj Shrimali	Promoter Non – Executive	01	-	01
Mr. Vijay Kalra	Non – Executive Independent	-	-	-
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 Records

During the Financial Year 2012-13, (Four) meetings of the Board of Directors were held on 15.05.2012, 20.07.2012, 22.10.2012 & 21.01.2013. 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. Ashok Sawhney and Mr. Avinash Chander Sharma seeking appointment at the Annual General Meeting are 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 2012-2013 on the following dates: 15.05.2012, 20.07.2012, 22.10.2012 & 21.01.2013.

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	04
Mr. G S Goyal	Non – Executive Independent	Member	04

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 –network.limited@gmail.com 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 15.05.2012, 20.07.2012, 22.10.2012 & 21.01.2013.

- (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., 2013

6. ANNUAL GENERAL MEETINGS

Financial Year	Location	Date	Time	No. of Special Resolution (s) passed
2011-12	MPCU Shah Auditorium, Shree Delhi Gujrati Samaj Marg, Civil Lines, New Delhi – 110 054	27.09.2012	10.30 A.M	One
2010-11	MPCU Shah Auditorium, Shree Delhi Gujrati Samaj Marg, Civil Lines, New Delhi – 110 054	23.09.2011	2.30 P.M	One
2009-10	MPCU Shah Auditorium, Shree Delhi Gujrati Samaj Marg, Civil Lines, New Delhi – 110 054	14.07.2010	2.00 P.M	Two

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 the 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 are set out in Note No. 2.19 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
Wednesday, 18 th September, 2013	11.30 A.M.	MPCU Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Delhi – 110 054

ii) Financial Calendar

Financial Reporting for the quarter ended 30 th June, 2013	29.07.2013
Financial Reporting for the quarter ended 30 th September, 2013	within 45 days from the end of the quarter
Financial Reporting for the quarter ended 31 st December, 2013	within 45 days from the end of the quarter
Audited Results for the financial year ended 31 st March, 2014	within sixty days from the end of last quarter 31 st March, 2014

iii) Dates of Book Closure

12th September, 2013 to 18th September, 2013
(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 2013-2014 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 – 12	7.20	6.65	Oct-12	6.74	5.35
May – 12	7.50	5.87	Nov-12	5.70	4.57
Jun – 12	7.09	5.32	Dec-12	4.78	4.04
Jul – 12	7.23	6.63	Jan-13	4.92	4.00
Aug – 12	7.74	7.00	Feb-13	4.20	3.16
Sep – 12	8.00	6.29	March-13	3.46	2.61

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.