



Date: 03/10/2018

To,  
Corporate Relationship Department,  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai- 400001  
Scrip Code: 523558

Dear Sir/ Madam,

Sub: Submission of Annual Report for FY 2017-2018

With reference to above, please find copy of Annual Report for Financial Year 2017-18 in compliance with Regulation 34 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.

Kindly take the same on your records and acknowledge the receipt thereof.

Thanking You,

For NETWORK LIMITED

ASHOK SAWHNEY  
DIRECTOR  
DIN: 00303519



Encl.: As above

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**Network Limited**

W-39, Okhla Industrial Area, Phase II, New Delhi - 110020, Phone : +91-11-41067060, Email : network.limited@gmail.com  
CIN - L32209DL1989PLC034797 Website : www.networklimited.net

BOOK POST

29<sup>th</sup>

# ANNUAL REPORT 2017-18

**NETWORK  
LIMITED**

If Undelivered, Please return to:  
**NETWORK LIMITED**  
W-39, Okhla Industrial Arca, Phase II,  
New Delhi 110020

Board of Directors	:	Ashok Sawhney Aman Sawhney Avinash Chander Sharma Pankaj Shrimali Vijay Kalra G.S. Goyal Umong Sethi Necna Sethi
Manager	:	Aman Sawhney
CFO	:	Ashok Kumar
Company Secretary	:	Vikas Jain
Auditors	:	B.K. Sood & Co Chartered Accountants
Bankers	:	State Bank of India ICICI Bank HDFC Bank Vijaya Bank
Registered Office	:	W- 39, Okhla Industrial Area Phase- II, New Delhi-110020 Tele : 011- 41067060
Registrar and Share Transfer Agent	:	Alankit Assignments Ltd. Alankit House, 1E/13 Jhandewalan Extension, New Delhi- 110055 Tel. : 011-42541234 Fax: 011- 42540064

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**TO THE MEMBERS OF NETWORK LIMITED**

Your Directors have pleasure in presenting their 29<sup>th</sup> Annual Report of the Company together with the Audited Accounts of the Company for the Financial Year ended 31<sup>st</sup> March, 2018.

**FINANCIAL HIGHLIGHTS**

The Company has adopted Indian Accounting Standards (Ind-AS) with effect from April 1, 2017 pursuant to the notification issued by Ministry of Corporate Affairs dated February 16, 2015 regarding the Companies (Indian Accounting Standards) Rules, 2015.

Accordingly, the financial statements are prepared in accordance with the Companies (Accounting Standards) Rules, 2015, notified under Section 133 of the Act and other relevant provisions of the Act. The financial statements for the year ended March 31, 2017 have been restated to comply with Ind AS to make these comparable.

The highlights of Financial Results for the Financial Year ended 31<sup>st</sup> March, 2018 in comparison to the Financial Year ended 31<sup>st</sup> March, 2017 are as follows:

(Rs in Lacs)

PARTICULARS	31 <sup>st</sup> March 18	31 <sup>st</sup> March 17
Revenue from operations	512.70	278.80
Other Income	0.98	1.83
Total Expenditure	582.12	246.25
Profit / (Loss) before Tax & Exceptional Items	(68.44)	34.38
Exceptional Items	-	(550.00)
Profit / (Loss) after Tax & Exceptional Items	(68.44)	(515.61)
Other Comprehensive Income	(538.56)	(230.27)
Total Comprehensive Income for the period	(607.00)	(745.88)

**OPERATIONAL REVIEW**

The year under review witnessed a marginal growth in the world economy attributable to a feeble pace of global investment, dwindling world trade, flagging productivity and high levels of debt. 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.

During the financial year under review, the company has incurred an operational loss of Rs. 68.44 lac against the operational profit of Rs. 34.68 lac in previous year. The management of your company expects further improvement in the current year with the growing economic scenario and market conditions.

During the year under review, there was no change in the nature of business of the Company.

**ECONOMIC SCENARIO**

The global economy is now growing at its fastest pace since 2010, with the upturn becoming increasingly synchronized

across countries. The world economy is expected to strengthen further in 2018 and 2019, with economic growth projected to rise to about 4%, from 3.7% in 2017. Stronger investment, the rebound in global trade and higher employment are helping make the recovery increasingly broad-based. This long-awaited lift, supported by policy stimulus, is being accompanied by solid employment gains, a moderate upturn in investment and a pick-up in trade growth. The continued rise in global trade was led by pickup in import demand in developed markets. Growing protectionism impacting trading relations and geo-political tensions in parts of Asia are a key area of concern.

India's economy maintained its strong growth in FY 2017-18 – the Gross Domestic Product growth was 6.7%, with a strong 7.7% increase in the last quarter of the year. With the 'One Nation One Tax' GST regime being implemented and gradually stabilizing by the second half of the year, the economy witnessed upsurge in investments, consumption, as well as government spending. Industrial activity rebounded, and services indicators too showed positive trends. Thanks to a series of policy initiatives, India moved into the world's Top 100 countries in terms of ease of doing business. The country also retained its position as a favoured destination for foreign capital, with gross foreign direct inflows of \$ 64.6 bn in 2017.

Your Company is seeking great opportunities in its business segment considering the expected economic development & growths initiatives taken by the government.

**STOCK MARKET**

Equity markets extended their gains in H1:2017-18 into H2, with the Sensex closing at a historic high of 36,283 on January 29, 2018. A number of factors contributed to the market's overall buoyancy: strengthening macroeconomic conditions; revival of corporate sales and improving prospectus for future earning; the announcement of PSU banks' recapitalization; a jump in India's ranking in the World Bank's ease of doing business index; the rating upgrade by Moody's; sustained net investment by domestic institutional investors; and positive cues from global equity markets.

Market conditions and sentiment reversed dramatically in February and selling pressures intensified, with a variety of factors in play: global sell-offs in bonds and equities following stronger than expected job and inflation data for the US monetary policy; expectations of tighter liquidity conditions going forward; bearish sentiment post the Union Budget proposal to levy long-term capital gains tax (LTCG) of 10 per cent on gains exceeding Rs. 1 lakh from sale of equity shares; the breach in the fiscal deficit target for 2017-18 and for the medium term; and disclosure of fraudulent transactions by Punjab National Bank. Consequently, even though the BSE Sensex gained by 5.4 per cent during H2:2017-18, it declined by 5.0 per cent during the month of February and suffered losses of 3.6 per cent in March as well on worries of trade wars triggered by the announcement of tariffs on steel and aluminum imports by the US administration and plan to impose tariff on Chinese goods.

The sharp increase in equity indices in the second half of

January 2018 and the dramatic correction in the first half of February 2018 were both associated with heightened volatility. The increase in volatility during the first week of February 2018 resulted from spill over of enhanced volatility in global markets, as rising bond yields triggered sell-off in stocks, which was exacerbated by collapse of several complex volatility-linked funds and algorithmic trading strategies tied to market volatility. The India volatility index (VIX), which captures short-term expected volatility of Nifty 50, increased sharply during this period. While equity indices and the VIX are generally inversely correlated, they moved in tandem during the second half of January 2018 with the correlation co-efficient being 0.88. Global markets also witnessed similar aberration as the S&P 500 and VIX moved together with correlation co-efficient of 0.70.

The put-call ratio, an indicator of market expectations, broadly remained stable and stayed below one in India. These configurations suggest that equity markets in India had perhaps risen excessively and that correction rather than bearish phase was imminent. As if in corroboration, the sharp correction in equity indices led to the restoration of the inverse relationship between the VIX and NIFTY 50 in February 2018, with the correlation co-efficient being -0.31. Realized volatility estimated through GARCH conditional volatility remained consistently lower than the expected volatility (measured by the VIX) during this period.

While domestic institutional investors, particularly MFs, engaged in sustained net buying in the equity market, foreign portfolio flows experienced some volatility in February. Net investment by mutual funds in equities during October 2017 to March 27, 2018 at \$631 billion was higher than that of \$302 billion by foreign portfolio investors.

During October 2017-February 2018, resources raised under equity-oriented investment schemes were higher at \$841 billion than \$399 billion during the corresponding period of the previous year. This reflected greater participation not only from retail and high net worth individuals (HNI), but also from corporate. Equity assets under management (AUM) of mutual funds increased by 16.7 per cent from \$6.6 trillion at end-September 2017 to \$7.7 trillion at end-February 2018.

In the primary segment of the equity market, resource mobilization through public issues of equity (initial public offers and right issues) increased sharply to \$610 billion during October 2017-February 2018 from \$100 billion in the corresponding period of the previous year. Of the total 71 initial public offer (IPO) issues, 53 issues were listed on the small and medium enterprises (SMEs) platforms of BSE Ltd. and National Stock Exchange (NSE). Of the total resource mobilization by way of public equity issues during 2017-18, 50.4 per cent was raised by insurance companies.

## FUTURE PROSPECTS

The future prospects for the Indian equity markets look extremely promising in the current backdrop of events in the Global financial markets

While the last year saw number of changes to the system, the

impact of these have largely waned as new equilibrium has started to set in. The Indian economy has once again regained the tag of the "fastest growing economy". How sustainable this momentum will be and by when our economy can cross the 8% Rubicon, will depend on how effectively the various policies, especially with respect to structural and infrastructure related reforms are implemented. As set out above, domestic financial market segments have been mainly driven by idiosyncratic factors, barring phases of overwhelming global spill over's that impacted equity and forex markets intermittently. Excess liquidity, which had persisted till January following demonetization, turned into deficit towards close of the year. Bond markets have experienced some drying up of liquidity as yields rose amidst concerns about inflation and the fiscal situation. The credit market, which was overcast with risk aversion and disintermediation, has exhibited steady improvement in recent months with credit growth being in double digits since December. Sizeable investments by mutual funds into equity displaced the hitherto dominant position of foreign investors.

The euphoria in other emerging markets is likier to settle down soon as earnings have failed to catch up with the spectacular rise in the stock prices. Investors would be wary of deploying funds in developed markets as the US Federal Reserve considers hiking the US Fed Interest Rate anytime during the current financial year, Indian equity markets are looking attractively valued. The management is confident of strong year ahead for the Indian Equity markets. This will augur well for the performance of your company, which largely depends on the direction of the stock market.

## OUTLOOK, RISKS AND CONCERNS

Your Company has been making use of available opportunities in the capital and the commodities markets for its operations, keeping in view its business objectives.

The underlying strength of Indian consumption and demand, continues to remain robust. The country's equity markets remain a favourite of global investors. The performance of your Company is closely linked to those of the stock and commodities markets and more particularly to stock markets. The growth tendencies for 2018-19 are expected to be mostly reflective of the developments in these areas. Your Company is cautiously optimistic in the current scenario and will focus on a well-adjusted portfolio mix, resourceful cost management and risk containment measures in order to sustain profitability.

## DIVIDEND

Your directors do not recommend any dividend for the Financial Year ended 31<sup>st</sup> March, 2018.

## SHARE CAPITAL

During the year under review, there was no change in the Company's issued, subscribed and paid-up share capital. On March 31, 2018, it stood at Rs. 9,82,96,996 divided into 4,91,48,498 Equity Shares of Rs. 2 each.

## DEPOSITS

The Company has not accepted any deposits from the public in terms of Section 73 of the Companies Act, 2013 during the year under review.

## PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT 2013

The Company has not granted any loans, secured or unsecured, guarantee to companies, firm or other parties covered under section 186. Particulars of Investments has been disclosed in financial statement of the Company.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Aman Sawhney, Director and Manager and Mr. Pankaj Shrimali, Director retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment. The Board recommends their reappointments at the ensuing Annual General Meeting of the Company.

Members at the Annual General Meeting held on 24<sup>th</sup> September, 2014 have appointed Mr. Vijay Kalra, Mr. Gauri Shanker Goyal, Mr. Umong Sethi and Mrs. Neena Sethi as Independent Directors of the Company to hold office for five consecutive years for a term up to 31<sup>st</sup> March, 2019. Mr. Vijay Kalra, Mr. Gauri Shanker Goyal, Mr. Umong Sethi and Mrs. Neena Sethi are proposed to be re-appointed as Independent Directors for further term of Five years at the ensuing AGM.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and there has been no change in the circumstances which may affect their status as Independent director during the year under review. The Company keeps informed independent directors about changes in the Companies Act, 2013 and rules from time to time and their role, duties and responsibilities.

Brief resumes of the Directors who are proposed to be reappointed at the forthcoming Annual General meeting, as required as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in the notice convening the Annual General Meeting of the Company.

## NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors of the Company met 6 (Six) times in the FY2017-18. The details pertaining to the Board Meetings and attendance are provided in the Corporate Governance Report. The intervening gap between two Board Meetings

was within the period prescribed under Companies Act, 2013.

## DIRECTORS' RESPONSIBILITY STATEMENT AS REQUIRED U/S 134 (5) OF THE COMPANY ACT, 2013

Pursuant to the requirements under Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- a. that in the preparation of the Annual Accounts, the applicable accounting standards have been followed;
- b. 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 as at March 31, 2018 and of Profit and Loss Account of the Company for that period;
- c. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the Directors have prepared the Annual Accounts for the Financial Year ended March 31, 2018 on a going concern basis;
- e. that the Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f. that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## DECLARATION BY INDEPENDENT DIRECTORS

The company has received necessary declaration from each independent director under section 149(7) of the Companies Act, 2013 that he/she meets the criteria of independence laid down in section 149(6) of the Companies Act, 2013 and regulation 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## BOARD EVALUATION

In terms of the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the evaluation of its own performance, the Directors individually including the Chairman of the Board and that of its Committees. The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and Non-Independent Directors were carried out by Independent Directors.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees.

The process of evaluation is explained in the Corporate Governance Report.

## COMMITTEES OF BOARD

Currently, the Board has three committees: the audit committee, stakeholders' grievance committee and nomination and remuneration committee. The details of the committee's along with the meetings held during the year are covered in corporate governance report.

## AUDITORS & AUDITORS OBSERVATIONS

### Statutory Auditors

M/s. B.K Sood & Co., Chartered Accountants (Firm Registration No. 000948N), the Statutory Auditors of the Company were appointed by the members at the 28<sup>th</sup> Annual General Meeting of the Company for a term of initial term of 5 years i.e. from the conclusion of 28<sup>th</sup> Annual General Meeting till the conclusion of the 33<sup>rd</sup> Annual General Meeting of the Company pursuant to section 139 of the Companies Act, 2013. They have confirmed that they are not disqualified from continuing as Auditors of the Company.

The Report given by M/s. B.K Sood & Co., Chartered Accountants (Firm Registration No. 000948N), Statutory Auditors on the financial statement of the Company for the year 2017-18 is part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report.

### Secretarial Auditor

Mr. Manish Kumar Agrawal of Agrawal Manish Kumar & Co., Practicing Company Secretary was appointed to conduct the secretarial audit of the Company for the financial year 2017-18, as required under Section 204 of the Companies Act, 2013 and Rules made thereunder. The Secretarial Audit report for FY. 2017-18 in form MR-3 part of the Annual Report as **Annexure 1** of the Board' Report. The report does not contain any qualification.

## EXTRACTS OF ANNUAL RETURN

The Extracts of Annual Return is prepared in Form MGT-9 as per the provisions of the Companies Act, 2013 and Rule 12 of Companies (Management and Administration) Rules, 2014 and the same is enclosed as **Annexure - 2** to this Report.

## INTERNAL CONTROL SYSTEMS AND ADEQUACY

The board has adopted the policies and procedures for ensuring the orderly and efficient conduct of the business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

## SUBSIDIARY COMPANY

The Company does not have any subsidiary Company.

## PARTICULARS OF EMPLOYEES

During the year under review, none of employees are covered under the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## LISTING OF COMPANY'S SHARES ON STOCK EXCHANGES

The Company's shares are listed on "BSE Limited". The listing fee up to the year 2018-2019 has already been paid to the Stock Exchange.

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

Your Company is not involved in any manufacturing or processing activities and did not carry out any activity relating to Research & Development, Technology Absorption during the year under review. Hence particulars in this regard in accordance with provisions of the Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are not required.

There are no foreign exchange earnings or outgo during the current financial period.

## SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

During the year, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

## RELATED PARTY TRANSACTIONS

During the year ended March 31, 2018, there were no materially significant related party transactions, which had potential conflict with the interests of the Company at large. The transactions with related parties has been disclosed in the financial statements of the Company.

In terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company have adopted a policy to determine Related Party Transactions.

## VIGIL MACHANISM/WHISTLE BLOWER POLICY

The Board of Directors has adopted Whistle Blower Policy. The Whistle Blower Policy aims for conducting the affairs in a fair and transparent manner by adopting highest standards of

professionalism, honesty, integrity and ethical behavior. All permanent employees of the Company are covered under the Whistle Blower Policy. A mechanism has been established for employees to report concerns about unethical behavior, actual or suspected fraud or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism and allows direct access to the Chairperson of the audit committee in exceptional cases.

#### CODE OF CONDUCT

The Company has a well defined policy, which lays down procedures to be followed by the employees for ethical professional conduct. The code of conduct has been laid down for all the Board Members and Senior Management of the Company. The Board members and Senior Management personnel have affirmed compliance with the Company's code of conduct for the year 2017-18. This code has been displayed on the Company's website.

#### 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

Corporate Governance is an ethically driven business process that is committed to value aimed at enhancing an organization's brand and reputation. This is ensured by ethical business decisions and conduction business with a

firm commitment to value, while meeting stakeholders' expectations. At Network, it is imperative that our company affairs are managed in a fair and transparent manner. This is vital to gain and retain the trust of our stakeholders.

In terms of the listing agreement with Stock Exchange, we 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. Several aspects of the Act, such as vigil mechanism and code of conduct, have been incorporated into our policies.

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/-  
ASHOK SAWHNEY  
CHAIRMAN

sd/-  
AMAN SAWHNEY  
DIRECTOR & MANAGER

Date: 14.08.2018

Place: New Delhi



**ANNEXURE 1**  
**FORM NO MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31.03.2018**

Pursuant to Section 204 (1) of the Companies Act, 2013 and the Rule 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014

To  
The Members,  
M/s. Network Limited  
New Delhi.

1. We have conducted Secretarial Audit pursuant to Section 204 of the Companies Act 2013, for the compliance of the applicable Statutory Provisions and the adherence to good corporate practices by M/s. Network Limited (hereinafter called as "the Company") a company duly incorporated under the provisions of Companies Act, 2013 and bearing CIN L32209DL1989PLC034797. The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.
2. Based on our verification of the books, papers, minutes books, forms, returns filed and other records maintained by the Company and also the information provided by the management and according to the examinations carried out by us and explanations furnished and representations made to us by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has during the Audit Period covering the Financial Year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.
3. We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Network Limited (hereinafter called as "the Company") for the financial year commencing from 1st April, 2017 and ended on 31st March, 2018 ("Audit Period") according to the provisions of:
  - i. The Companies Act, 2013 (the act) and the rules made there under
  - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
  - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - iv. Foreign exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings. (*Provisions not Applicable, as there being no transactions involving foreign exchange*).
  - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. (*Not Applicable, as the company had not issued any security during the financial year under review*).

- d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. *(During the Financial year under review not Applicable to the Company).*
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 *(Not Applicable, as there being no debt securities, which are listed on any of the recognized Stock Exchanges).*
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; *(Not Applicable, as the company is not registered as Registrars to an Issue and Share Transfer Agent during the financial year under review).*
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; *(not applicable, as there being no instances of delisting of Equity Shares during the financial year under review).*
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; *(not applicable, as there being no instances of buy-back of shares during the financial year under review).*

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards with regard to Meeting of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- ii. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

Based on information received & records maintained we further report that:-

- i. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- ii. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- iii. All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For AGRAWAL MANISH KUMAR & CO  
COMPANY SECRETARIES

Sd/-  
MANISH KUMAR AGRAWAL  
(Proprietor)

Place: New Delhi  
Date: 10/08/2017

## ANNEXURE 2

### FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2018

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration) Rules, 2014.

#### I. REGISTRATION & OTHER DETAILS:

1.	CIN	L32209DL1989PLC034797
2.	Registration Date	25/01/1989
3.	Name of the Company	NETWORK LIMITED
4.	Category/Sub-category of the Company	Company Limited by Shares
5.	Address of the Registered office & contact details	W-39, Okhla Industrial Area, Phase-II, New Delhi - 110020 (B) + 91-11-41067060 (W) <a href="http://www.networklimited.net">www.networklimited.net</a> (E) <a href="mailto:network.limited@gmail.com">network.limited@gmail.com</a>
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Alankit Assignments Limited 1E/13 Jhandewalan Extension, New Delhi - 110055, (B) + 91-11-4254 1234 (D) + 91-11-4254 1955 (W) <a href="http://www.alankit.com">www.alankit.com</a>   (E) <a href="mailto:ramap@alankit.com">ramap@alankit.com</a>

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated			
S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Dealing in Securities	6499	100

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
N.A	N.A	N.A	N.A	N.A

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2017]				No. of Shares held at the end of the year[As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	24290583	741600	25032183	50.93	24290583	741600	25032183	50.93	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt.(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	4717400	0	4717400	9.60	4717400	0	4717400	9.60	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
<b>Total shareholding of Promoter (A)</b>	<b>29007983</b>	<b>741600</b>	<b>29749583</b>	<b>60.53</b>	<b>29007983</b>	<b>741600</b>	<b>29749583</b>	<b>60.53</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	800	800	0	0	800	800	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	7500	7500	0.02	0	7500	7500	0.02	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	<b>0</b>	<b>8300</b>	<b>8300</b>	<b>0.02</b>	<b>0</b>	<b>8300</b>	<b>8300</b>	<b>0.02</b>	<b>0</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	14584025	16400	14600425	29.71	14565627	16000	14581627	29.67	-0.04
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	1460595	519103	1979698	4.03	2077067	514720	2591787	5.27	1.24
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	2794997	0	2794997	5.69	2201506	0	2201506	4.48	-1.21
c) Others (specify)									
Non Resident Indians	15495	0	15495	0.03	15695	0	15695	0.032	0.002
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	0	0	0	0	0	0	0	0	0
Trusts	0	0	0	0	0	0	0	0	0
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2):-</b>	<b>18855112</b>	<b>535503</b>	<b>19390615</b>	<b>39.45</b>	<b>18859895</b>	<b>530720</b>	<b>19390615</b>	<b>39.45</b>	<b>0.00</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>18855112</b>	<b>543803</b>	<b>19398915</b>	<b>39.47</b>	<b>18859895</b>	<b>539020</b>	<b>19398915</b>	<b>39.47</b>	<b>0.00</b>
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>47863095</b>	<b>1285403</b>	<b>49148498</b>	<b>100</b>	<b>47867878</b>	<b>1280620</b>	<b>49148498</b>	<b>100</b>	<b>0</b>

**B) Shareholding of Promoter-**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr. Gian Vijeshwar	3687400	7.50%	0	3687400	7.50%	0	Nil
2	Mrs. Kusum Vijeshwar	3687400	7.50%	0	3687400	7.50%	0	Nil
3	Mr. Monny Vijeshwar	3666800	7.46%	0	3666800	7.46%	0	Nil
4	Mr. Robin Vijeshwar	4058200	8.26%	0	4058200	8.26%	0	Nil
5	Mr. Gian Vijeshwar & Mr. Monny Vijeshwar	319712	0.65%	0	319712	0.65%	0	Nil
6	Mrs. Kusum Vijeshwar & Mr. Robin Vijeshwar	257088	0.52%	0	257088	0.52%	0	Nil
7	Mr. Pankaj Shrimali	2678000	5.45%	0	2678000	5.45%	0	Nil
8	Mrs. Madhuri Shrimali	3337200	6.79%	0	3337200	6.79%	0	Nil
9	Mr. Pankaj Shrimali & Mrs. Madhuri Shrimali	2224800	4.53%	0	2224800	4.53%	0	Nil
10	Mr. Vinod Suneja	370800	0.75%	0	370800	0.75%	0	Nil
11	Mr. Naveen Suneja	370800	0.75%	0	370800	0.75%	0	Nil
12	Mr. Hitesh Suneja	370800	0.75%	0	370800	0.75%	0	Nil
13	Mr. Praful Kumar	1007	0.00%	0	1007	0.00%	0	Nil
14	Mr Vijay Kumar Sharma	2176	0.00%	0	2176	0.00%	0	Nil
15	Appu Ghar Entertainment Pvt. Ltd	4717400	9.60%	0	4717400	9.60%	0	Nil

**C) Change in Promoters Shareholding(please specify, if there is no change)**

No change in Promoters Shareholding during the year.

**D) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	<b>AAS Research &amp; Solutions Private Limited</b>				
	At the beginning of the year	4243600	8.634	4243600	8.634
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	4243600	8.634	4243600	8.634

<b>2</b>	<b>Uninet Strategic Advisory Limited</b>				
	At the beginning of the year	4116174	8.375	<b>4116174</b>	<b>8.375</b>
	Bought during the year	5569	0.011	4121743	8.386
	Sold during the year	-	-	-	-
	At the end of the year	4121743	8.386	<b>4121743</b>	<b>8.386</b>
<b>3</b>	<b>San Share Shoppe Private Limited</b>				
	At the beginning of the year	3709000	7.547	<b>3709000</b>	<b>7.547</b>
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	3709000	7.547	<b>3709000</b>	<b>7.547</b>
<b>4</b>	<b>Paliwal Infrastructure Private Limited</b>				
	At the beginning of the year	1100000	2.238	<b>1100000</b>	<b>2.238</b>
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	1100000	2.238	<b>1100000</b>	<b>2.238</b>
<b>5</b>	<b>Paliwal Overseas Private Limited</b>				
	At the beginning of the year	834000	1.697	<b>834000</b>	<b>1.697</b>
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	834000	1.697	<b>834000</b>	<b>1.697</b>
<b>6</b>	<b>ANS Private Limited</b>				
	At the beginning of the year	172445	0.352	<b>172445</b>	<b>0.352</b>
	Bought during the year	-	-	-	-
	Sold during the year	2750	0.005	<b>169695</b>	<b>0.347</b>
	At the end of the year	169695	0.352	<b>172445</b>	<b>0.352</b>
<b>7</b>	<b>Raj Chawla and Sons HUF</b>				
	At the beginning of the year	161506	0.329	<b>161506</b>	<b>0.329</b>
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	161506	0.329	<b>161506</b>	<b>0.329</b>

8	<b>Religare Finvest Limited</b>				
	At the beginning of the year	93677	0.191	93677	0.191
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	93677	0.191	93677	0.191
9	<b>Sanjay Mittal</b>				
	At the beginning of the year	80002	0.163	80002	0.163
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	80002	0.163	80002	0.163
10	<b>VSL Securities Pvt. Ltd.</b>				
	At the beginning of the year	60000	0.122	60000	0.122
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	60000	0.122	60000	0.122

#### E) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	<b>Ashok Sawhney</b>				
	At the beginning of the year	2040000	4.151	2040000	4.151
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	2040000	4.151	2040000	4.151
2	<b>Pankaj Shrimali</b>				
	At the beginning of the year	4902800	9.98	4902800	9.98
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	4902800	9.98	4902800	9.98

\*KMPs does not hold any shares at the end of financial year 2017-2018.

## V) INDEBTEDNESS -

The Company had no indebtedness with respect to secured or Unsecured Loans or Deposits during the financial year 2017-18.

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

Remuneration to Managing Director, Whole-time Directors and/or Manager:

Particulars	Name of Directors, Manager & KMP								In Lac
	Manager & Director	Non-Executive			Independent Directors				Total
	Aman Sawhney	Ashok Swahney	Pankaj Shrimali	Avinash Chander Sharma	Vijay Kalra	Gauri Shanker Goyal	Umong Sethi	Neena Sethi	
Sitting Fee	0.20	0.25	0.20	0.25	0.25	0.20	0.20	0.15	1.70
Others	-	-	-	-	-	-	-	-	-
Total Managerial Remuneration	0.20	0.25	0.20	0.25	0.25	0.20	0.20	0.15	1.70

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board of Directors

Date: 14.08.2018  
Place: New Delhi

sd/-  
ASHOK SAWHNEY  
CHAIRMAN

sd/-  
AMAN SAWHNEY  
DIRECTOR & MANAGER



**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 along with its Committees provides leadership and guidance to the Company's management and supervises the Company's performance. As at March 31, 2018, the Board of Directors ("Board") comprises of Eight Directors, of which seven are Non-Executive Directors. The Company has a non-executive chairman and four independent directors, comprise half of the total strength of the Board.

The composition of the Board and directorship held as on 31<sup>st</sup> March, 2018:

Name of the Directors	Indian Listed Companies (1)	No of Directorship held in all Public companies	Committee Membership (2)	Committee Chairmanship (2)
<b>Non-Executive</b>				
Mr. Ashok Sawhney	-	01	-	-
Mr. Avinash Chander Sharma	-	-	-	-
Mr. Pankaj Shrimali	01	-	-	01
<b>Executive</b>				
Mr. Aman Sawhney	-	01	-	-
<b>Independent Directors</b>				
Mr. Vijay Kalra	-	-	-	-
Mr. Umong Sethi	-	-	-	-
Mrs. Neena Sethi	-	-	-	-
Mr. G.S Goyal	-	-	-	-

- Notes:** (1) Excluding directorship in Network Limited and Private, Foreign and section 8 Companies.  
 (2) As required by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the disclosure includes membership/ chairmanship of the audit committee and stakeholder relationship committee in Indian public companies (listed and unlisted).

**Board Meetings & Directors' Attendance Records**

During the Financial Year 2017-18, (Six) meetings of the Board of Directors were held on May 13, 2017, June 14, 2017, August 10, 2017, November 14, 2017, December 05, 2017 and January 30, 2018. The intervening period between the Board Meetings was well within the maximum time gap of four months as prescribed by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Name of Directors	No. of Board Meeting	Attendance at the Board Meeting	Whether attended Last AGM
Mr. Ashok Sawhney	6	6	Yes
Mr. Aman Sawhney	6	5	Yes
Mr. Avinash Chander Sharma	6	5	No
Mr. Pankaj Shrimali	6	5	Yes
Mr. Vijay Kalra	6	6	Yes
Mr. G S Goyal	6	5	Yes
Mr. Umong Sethi	6	5	No
Mrs. Neena Sethi	6	4	No

### MEETING OF INDEPENDENT DIRECTORS

In order to comply with the requirement of the Companies Act 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company's Independent Directors met once without the presence of Executive Directors and management personnel to discuss matters pertaining to the Company's affairs. During the year 2017-18 no new Independent Director was appointed

The details of the familiarization programmes imparted to the Independent Directors are available on the website of the Company [www.networklimited.in](http://www.networklimited.in).

### PERFORMANCE EVALUATION OF BOARD OF DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Stakeholders' Grievance Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board Effectiveness, Key Stakeholders connect, Ethics and Compliances, Evaluation of Company's Performance, Project Management and Internal Control and Audits. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, effective participation in Board/Committee Meetings, independence of judgement, safeguarding the interest of the Company and its minority shareholders, providing of expert advice to Board, provide deliberations on approving related party transactions etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

### 3. AUDIT COMMITTEE

#### (a) Terms of Reference

The Audit Committee has been constituted as per Section 177(1) of the Companies Act, 2013 and the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Section 177(1) of the Companies Act, 2013, besides other terms as may be referred by the Board of Directors from time to time.

#### (b) Composition

The Audit Committee was constituted by the Board with 4 Independent Directors, 1 Executive and 1 Non-Executive with Independent Director as its Chairman.

#### (c) Attendance

The Committee met four (4) times during the Financial Year 2017-2018 on the following dates: May 13, 2017, August 10, 2017, November 14, 2017 and January 30, 2018.

Name of the Directors	Category	Designation	Attendance at the Audit Committee Meeting
Mr. Vijay Kalra	Non - Executive Independent	Chairman	04
Mr. Achok Sawhney	Non - Executive	Member	04
Mr. Aman Sawhney	Executive	Member	04
Mr. G S Goyal	Non - Executive Independent	Member	04
Mr. Umong Sethi	Non - Executive Independent	Member	04
Mrs. Neena Sethi	Non - Executive Independent	Member	03

#### 4. STAKEHOLDERS RELATIONSHIP COMMITTEE

##### Terms of Reference

- Stake Holders Relationship, Grievance and Share Transfer Committee oversees and reviews all matters connected with the securities transfers and also looks into redressing of shareholders complaints like transfer of shares, non-receipt of annual reports etc.
- The Committee oversees the performance of the Registrar and Transfer agents and recommends measures for overall improvement in the quality of investor services.

##### Composition

Name of the Directors	Category	Designation	Attendance at Stakeholders relationship Committee Meeting
Mr. Ashok Sawhney	Non-Executive	Chairman	4
Mr. Aman Sawhney	Executive	Member	4
Mr. Avinash Chander Sharma	Non-Executive	Member	3

The Committee met four (4) times during the Financial Year 2017-2018 on the following dates: May 13, 2017, August 10, 2017, November 14, 2017 and January 30, 2018.

##### Name and designation of Compliance Officer:

Mr. Vikas Jain, Company Secretary

Email-id for Investor Grievances: [network.limited@gmail.com](mailto:network.limited@gmail.com)

##### Number of Shareholders complaints received.

During the year ended March 31, 2018, 2 complaints were received from the shareholders which were replied suitably to their satisfaction. There were no pending complaints as at the year end.

#### 5. NOMINATION & REMUNERATION COMMITTEE

##### BRIEF TERM OF REFERENCE

- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- Act as Selection and Compensation Committee to evaluate suitability of candidates for various senior positions and determine appropriate compensation package for them. Selection of related persons whether or not holding place of profit in the Company to be carried out strictly on merit and where applicable, be subjected to review by the Audit Committee of and/or the Board with approval at each stage being obtained by disinterested Independent Directors only.
- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- Formulation of criteria for evaluation of Independent Directors and the Board.
- Devising a policy on the Board diversity.
- Recommend to the Board, remuneration including salary, perquisite and commission to be paid to the Company's Executive Directors on an annual basis or as may be permissible by laws applicable.
- Recommend to the Board, the Sitting Fees payable for attending the meetings of the Board/Committee thereof, and, any other benefits such as Commission, if any, payable to the Non- Executive Directors.

##### Composition & Attendance

Name of the Directors	Category	Designation	Attendance at the Nomination & Remuneration Committee Meeting
Mr. Vijay Kalra	Independent Director	Chairman	1
Mr. Ashok Sawhney	Non-Executive	Member	1
Mr. Umang Sethi	Independent Director	Member	1

## Role of Nomination & Remuneration Committee

The Nomination and Remuneration Committee is responsible:

- 1 To devise a policy on diversity of Board; to review the composition of the Board, adequacy of number of members on the Board and board diversity annually; and to make appropriate recommendations to correct any imbalance therein;
- 2 To formulate criteria for determining qualifications, positive attributes and independence of a director;
- 3 To identify persons who are qualified to become directors, and who may be appointed in senior management positions in accordance with the criteria laid down in the policy;
- 4 To recommend a remuneration policy for the Directors / KMP / SMP so appointed / re-appointed ensuring that level and composition of remuneration is reasonable and sufficient to attract, retain and motivate them and comprises of an ideal balance of fixed and variable compensation that is linked to meeting appropriate performance benchmarks, and within the frame work of the said policy, to recommend remuneration for such persons from time to time;
- 5 To formulate criteria for evaluation of performance of the independent directors, such evaluation is to be done by the Board (excluding the directors being evaluated);
- 6 To formulate criteria for evaluation of performance of the non-independent directors and the Board as a whole, such evaluation is to be done by the independent directors exclusively in their separate meeting;
- 7 To formulate criteria for evaluation of the Chairman's performance, to be done by the independent directors exclusively in their separate meeting;
- 8 To recommend to the Board the appointment and removal of directors and senior management;
- 9 Succession planning for Directors, KMP and SMP, and overseeing the transition process;
- 10 To carry out any other function as is mandated by the Board from time to time and / or required by the statute and listing agreement or any amendment or modification therein, from time to time;
- 11 To perform such other functions as may be necessary or appropriate for the performance of its duties.

## 6. ANNUAL GENERAL MEETING

Financial Year	Location	Date	Time	No. of Special Resolution (s) passed
2016-17	MPCU Shah Auditorium, Shree Delhi Gujrati Samaj Marg, Civil Lines, New Delhi - 110 054	20.09.2017	11.00 A.M	Five
2015-16	MPCU Shah Auditorium, Shree Delhi Gujrati Samaj Marg, Civil Lines, New Delhi - 110 054	28.09.2016	11.00 A.M	One
2014-15	MPCU Shah Auditorium, Shree Delhi Gujrati Samaj Marg, Civil Lines, New Delhi - 110 054	28.09.2015	12.30 P.M	None

## 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 are set out in

Note No. 22 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.

**c) Disclosure of Accounting Treatment:**

The Company has followed Indian Accounting Standards (Ind-AS) in the preparation of its financial statements, pursuant to the notification issued by Ministry of Corporate Affairs dated February 16, 2015 regarding the Companies (Indian Accounting Standards) Rules, 2015.

**d) Code for prevention of Insider -Trading Practices:**

In accordance with the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015, as amended from time to time, your Company has adopted a Code of Internal Procedure and Conduct for regulating, monitoring and reporting of trading by insiders and Code of Fair Disclosure of Unpublished Price Sensitive Information to ensure prevention of Insider Trading in the Organization.

**8. MEANS OF COMMUNICATION**

**(a)** The unaudited quarterly, half-yearly and audited yearly financial results of the company are sent by e-mail 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 Financial Chronicle (English) and Awam E Hind (Hindi)
- Any website where displayed [www.networklimited.net](http://www.networklimited.net)
- whether it also displays official news release No
- whether presentations made to institutional investors or to analyst No

**(c)** The Annual Report which includes inter alia, the Director's Report, the report on Corporate Governance and the Management Discussion and Analysis.

**9. GENERAL SHAREHOLDERS INFORMATION**

**i) Annual General Meeting**

Day & Date	Time	Venue
Tuesday, 25 <sup>th</sup> September, 2018	11.00 AM.	MPCU Shah Auditorium,  Shree Delhi Gujarati Samaj Marg, Delhi - 110 054

**ii) Financial Calendar**

Financial Reporting for the quarter ended 30 <sup>th</sup> June, 2018	14.08.2018
Financial Reporting for the quarter ended from 30 <sup>th</sup> September, 2018	within 45 days  the end of the quarter
Financial Reporting for the quarter ended	within 45 days

Audited Results for the financial year ended

within sixty days from

31<sup>st</sup> March, 2019

the end of last quarter

31<sup>st</sup> March, 2019

iii) **Dates of Book Closure**

to

18th September, 2018

2018

25th September,

(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 2018-2019 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-17	4.68	3.67	Oct-17	4.50	3.90
May-17	4.20	3.23	Nov-17	4.50	4.40
Jun-17	3.69	3.27	Dec-17	4.50	4.25
Jul-17	-	-	Jan-18	4.55	3.95
Aug-17	4.37	3.01	Feb-18	5.00	4.77
Sep-17	4.9	4.09	Mar-18	6.26	4.94

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, 1E/13  
 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 BSE 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 31<sup>st</sup> March, 2018:

Share Held	31.03.2018			
	No. of Share holders	% of Share holders	No. of Shares held	% of Share holding
1-500	6429	91.53	783502	1.60
501-1000	244	3.47	203483	0.41
1001-5000	252	3.59	583671	1.19
5001-10000	36	0.51	282063	0.57
10001-20000	21	0.30	310327	0.63
20001-30000	9	0.13	229266	0.47
30001-40000	0	0	0	0
40001-50000	6	0.09	282028	0.57
50001-100000	5	0.07	348214	0.71
100001-500000	7	0.10	2020401	4.11
500001 & above	15	0.21	44105543	89.74
<b>TOTAL</b>	<b>7024</b>	<b>100</b>	<b>49148498</b>	<b>100</b>

I) Categories of Shareholding as on 31<sup>st</sup> March 2018:

Category	Category of Shareholder	Number of Shareholders	Total Numbers of Shares	As a percentage
A	Shareholding of Promoter and Promoter Group			
	1. Indian	15	29749583	60.53
	2. Foreign	-	-	-
	<b>Total Shareholding of Promoter and Promoter Group</b>	<b>15</b>	<b>29749583</b>	<b>60.53</b>
B	Public Shareholding			
	1. Institutions	5	8300	0.02
	2. Non-institutions	7004	19390615	39.45
	<b>Total Public Shareholding</b>	<b>7009</b>	<b>19398915</b>	<b>39.47</b>
C	Non Promoter-Non-Public			
	C1. Shares underlying DRs	-	-	-
	C2. Share held by Employee Trusts	-	-	-
	<b>Total (A+B+C)</b>	<b>7024</b>	<b>49148498</b>	<b>100</b>

xii) **Dematerialization of shares and liquidity:** As on 31<sup>st</sup> March, 2018 about 97.39% 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.

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

xiv) **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-39, Okhla Industrial Area, Phase II,  
New Delhi-110020

**10. 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed to Director's Report forming part of the Annual Report.

**11. CEO/CFO Certification**

As required by Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the certificate duly certified by Mr. Aman Sawhney, Director & Manager and Mr. Ashok Kumar, Chief Financial Officer of the Company was placed before the Board at its meeting held on 14<sup>th</sup> August, 2018. This certificate is annexed to the report.

**12. 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 31<sup>st</sup> March, 2018, the declaration to this effect duly signed by Mr. Aman Sawhney, Director & Manager of the Company is give hereunder:

**Declaration under schedule V (D) of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 for Compliance with the Code of Conduct**

As required by Schedule V (D) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to confirm that the Company has adopted a Code of Conduct for all Board Members and Senior Management of the Company. The Code is available on the Company's website.

I confirm that the Company has in respect of the financial year ended March 31, 2018, received from the senior management team of the Company and the Members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

Place: New Delhi  
Date: 14/08/2018

Sd/-  
AMAN SAWHNEY  
DIRECTOR & MANAGER

**13. Non-Mandatory Requirements**

The Company proposes to adopt the non-mandatory requirement given in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For and on behalf of the Board of Directors

Date: 14.08.2018  
Place: New Delhi

Sd/-  
ASHOK SAWHNEY  
CHAIRMAN

Sd/-  
AMAN SAWHNEY  
DIRECTOR & MANAGER



**CEO/CFO CERTIFICATION**

We, Aman Sawhney, Director & Manager and Ashok Kumar, Chief Financial Officer, responsible for the finance function certify that:

- a) We have reviewed the financial statements and cash flow statements for the year ended 31<sup>st</sup> March, 2018 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 31<sup>st</sup> March, 2018 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 have indicated to the Auditors and the Audit Committee that during the year under review:
  - i) There have not been any significant changes in internal control over financial reporting during the year under reference;
  - ii) There have 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: 14.08.2018  
Place: New Delhi

Sd/-  
AMAN SAWHNEY  
DIRECTOR & MANAGER

Sd/-  
ASHOK KUMAR  
CHIEF FINANCIAL OFFICER

**CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE**

We have examined the compliance of regulations of Corporate Governance by Network Limited for the year ended March 31, 2018, as per the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of regulations 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 regulations 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, we certify that the Company has complied with the regulations of Corporate Governance as stipulated in the above-mentioned Listing Regulations. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

FOR AGARWAL MANISH KUMAR & CO.  
Company secretaries  
Sd/-

(MANISH KUMAR AGRAWAL)  
(Proprietor)  
FCS No: 9582  
C.P. NO. 7057

Date: 14.08.2018  
Place: New Delhi

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF NETWORK LIMITED**

**Report on the Financial Statements**

We have audited the accompanying Ind AS financial statements of Network Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in

the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at March 31, 2018, and its profit, total other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the **Annexure A** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the statement of Changes in Equity dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant Rules of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31 March, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure B**.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the

Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- I. The Company does not have any pending litigations as on balance sheet date which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For B.K. Sood & Co.**  
Chartered Accountants  
(Firms Registration No. 000948N)

Place: New Delhi  
Date: 01<sup>st</sup> May, 2018

Sd/-  
**CA NITIN JAIN**  
Partner  
Membership No. 089895

**ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- I. In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The management had physically verified the fixed assets during the year. According to the information and explanations given to us no material discrepancies were noticed on such verification.
  - (c) As per the information and explanations provided to us, there are no immovable fixed assets in the name of the company.
- ii. The Company does not have any inventory other than Securities and commodities. Accordingly, the provisions of Clause 3 (ii) of the Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provision of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guaranties and

- v. The Company has not accepted any deposits, under the provisions of Sections 73 to 76 or any other relevant provisions of the Act, and the rules framed there under during the year under report.
- vi. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 for the Company.
- vii. According to the information and explanations given to us in respect of statutory dues:
  - a) The Company is generally regular in depositing undisputed statutory dues, including Income-tax, Service Tax, Goods and Service Tax (GST), Cess and other material statutory dues applicable to it with the appropriate authorities.
  - b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Service Tax, Goods and Service Tax (GST), Cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.
  - c) We are informed that there are no dues in respect of Income Tax, Service Tax, Goods and Service Tax (GST), and Cess which have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us and the records examined by us, the Company has not taken any loans from financial institutions and banks nor has it issued any debentures. Accordingly, the provisions of clause 3 (viii) of the Order is not applicable to the Company.
- ix. The company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of clause 3 (ix) of the Order is not applicable to the Company.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- xi. According to the information and explanations given to us and the records examined by us, the company has not been paid managerial remuneration during the year. Accordingly, the provisions of clause 3 (xi) of the Order is

not applicable to the Company.

- xii. In our opinion and According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions of clause 3 (xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and the records examined by us, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and therefore, the provisions of clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non – cash transactions with directors or persons connected with the Directors.
- xvi. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For B.K. Sood & Co.  
Chartered Accountants  
(Firms Registration No. 000948N)

Place: New Delhi  
Date: 01<sup>st</sup> May, 2018

Sd/-  
CA NITIN JAIN  
Partner  
Membership No. 089895

#### **ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 2(f) under Report on Other Legal and Regulatory Requirements' section of our report of even date)

#### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of ('the Company') as of 31 March, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial**

#### **Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountant of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with the accounting principles generally accepted in India, including the Indian Accounting

Standards (Ind AS) prescribed under Section 133 of the Act. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind AS Financial Statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountant of India.

**For B.K. Sood & Co.**  
Chartered Accountants  
(Firms Registration No. 000948N)

Place: New Delhi  
Date: 01<sup>st</sup> May, 2018

Sd/-  
**CA NITIN JAIN**  
Partner  
Membership No. 089895

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## BALANCE SHEET



## BALANCE SHEET AS AT 31ST MARCH, 2018

(Amount in Rs.)

Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>I ASSETS</b>				
<b>Non-Current Assets</b>				
a) Property, Plant and Equipment	3	1,11,371	21,099	21,099
b) Financial Assets				
i) Investments	4	5,16,60,000	10,55,16,527	12,88,65,575
ii) Other Non-Current Financial Assets	5	2,053	2,053	1,253
<b>Total Non-Current Assets</b>		<b>5,17,73,424</b>	<b>10,55,39,679</b>	<b>12,88,87,927</b>
<b>Current Assets</b>				
a) Inventories	6	1,22,02,358	1,66,41,267	1,36,28,786
b) Financial Assets				
i) Trade Receivables	7	-	-	5,56,47,415
ii) Cash and Cash Equivalents	8	5,78,219	8,34,712	2,44,950
iii) Other financial assets	9	1,00,000	-	-
c) Other Current Assets	10	-	-	99,794
<b>Total Current Assets</b>		<b>1,28,80,577</b>	<b>1,74,75,979</b>	<b>6,96,20,945</b>
<b>TOTAL ASSETS</b>		<b>6,46,54,001</b>	<b>12,30,15,658</b>	<b>19,85,08,872</b>
<b>II EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
a) Equity Share Capital	11	9,82,96,996	9,82,96,996	49,14,84,980
b) Other Equity	12	(3,62,28,966)	2,44,71,373	(29,41,28,047)
<b>Total Equity</b>		<b>6,20,68,030</b>	<b>12,27,68,369</b>	<b>19,73,56,933</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
a) Financial Liabilities				
i) Trade Payables	13	23,95,693	1,01,993	-
b) Other Current Liabilities	14	1,90,278	1,45,296	11,51,939
<b>Total Current Liabilities</b>		<b>25,85,971</b>	<b>2,47,289</b>	<b>11,51,939</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,46,54,001</b>	<b>12,30,15,658</b>	<b>19,85,08,872</b>

See Accompanying Notes 1 to 26 forming part of the Financial Statements

As per our report of even date

For and on behalf of  
**B. K. Sood & Co.**  
Chartered Accountants  
Firm Registration No. 000948N

Sd/-  
CA Nitin Jain  
Partner  
M. No. 089895

Place : New Delhi  
Date : 01.05.2018

For and On behalf of the Board of Directors

Sd/-  
**ASHOK SAWHNEY**  
CHAIRMAN  
DIN 00303519

Sd/-  
**AMAN SAWHNEY**  
DIRECTOR & MANAGER  
DIN 00323283

Sd/-  
**ASHOK KUMAR**  
C.F.O

Sd/-  
**VIKAS JAIN**  
Company Secretary

## STATEMENT OF PROFIT &amp; LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in Rs.)

Particulars	Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
<b>Revenue from Operations</b>			
Sales	15	5,12,70,203	2,78,80,502
Other Income	16	97,864	1,83,200
<b>Total Income</b>		<b>5,13,68,067</b>	<b>2,80,63,702</b>
<b>Expenses</b>			
Purchases		5,03,83,187	2,33,27,902
Change in Inventories of Stock in Trade		44,38,909	(30,12,481)
Employee benefits expenses	17	13,12,332	6,20,644
Depreciation and amortization expenses	3	33,228	-
Other Expenses	18	20,44,224	36,89,355
<b>Total Expenses</b>		<b>5,82,11,879</b>	<b>2,46,25,420</b>
<b>Profit / (Loss) before exceptional items and tax</b>		(68,43,812)	34,38,282
Exceptional Items		-	(5,50,00,000)
<b>Profit / (Loss) before tax</b>		<b>(68,43,812)</b>	<b>(5,15,61,718)</b>
Less: Tax Expenses		-	-
<b>Profit / (Loss) after tax</b>		<b>(68,43,812)</b>	<b>(5,15,61,718)</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to Profit &amp; Loss</b>			
Fair Value Change of Equity Instruments		(5,38,56,527)	(2,25,57,652)
Share in aggregate comprehensive income of the associates(net tax)		-	(4,69,196)
<b>Total Other Comprehensive Income for the year</b>		<b>(5,38,56,527)</b>	<b>(2,30,26,848)</b>
<b>Total Comprehensive Income for the year</b>		<b>(6,07,00,339)</b>	<b>(7,45,88,566)</b>
<b>Earning Per Equity Share :</b>			
a) Basic (Rs.)		(1.24)	(1.52)
a) Diluted (Rs.)		(1.24)	(1.52)

See Accompanying Notes 1 to 26 forming part of the Financial Statements

As per our report of even date

For and on behalf of  
**B. K. Sood & Co.**  
Chartered Accountants  
Firm Registration No. 000948N

Sd/-  
CA Nitin Jain  
Partner  
M. No. 089895

Place : New Delhi  
Date : 01.05.2018

For and On behalf of the Board of Directors

Sd/-  
**ASHOK SAWHNEY**  
CHAIRMAN  
DIN 00303519

Sd/-  
**AMAN SAWHNEY**  
DIRECTOR & MANAGER  
DIN 00323283

Sd/-  
**ASHOK KUMAR**  
C.F.O

Sd/-  
**VIKAS JAIN**  
Company Secretary

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in Rs.)

Particulars	Equity Share Capital	Other Equity						Total
		Reserve & Surplus				Other Comprehensive Income		
		Capital Redemption Reserve	Securities Premium Reserve	Capital Reserve	Retained Earnings	Equity Instrument through other Comprehensive Income	Share in aggregate other Comprehensive Income of Associate(s)	
Balance as at 1st April 2016	49,14,84,980	4,00,000	7,64,12,985	-	(7,09,58,955)	(29,97,50,736)	(2,31,341)	19,73,56,933
Total Other Comprehensive Income for the year (Net of Tax)		-	-	-	-	-	(4,69,196)	(4,69,196)
Fair Value Changes in Equity Instruments Profit / (Loss) for the year		-	-	-	-	(2,25,57,652)	-	(2,25,57,652)
Adjustments for Reduction of Share Capital during the year	(39,31,87,984)			1,99,10,683	7,32,95,224	29,97,50,736	2,31,341	-
Balance as at 31st March, 2017	9,82,96,996	4,00,000	7,64,12,985	1,99,10,683	(4,92,25,449)	(2,25,57,652)	(4,69,196)	12,27,68,369
Balance as at 01st April, 2017	9,82,96,996	4,00,000	7,64,12,985	1,99,10,683	(4,92,25,449)	(2,25,57,652)	(4,69,196)	12,27,68,369
Total Other Comprehensive Income for the year (Net of Tax)		-	-	-	-	(5,38,56,527)	-	(5,38,56,527)
Profit / (Loss) for the year					(68,43,812)			(68,43,812)
Balance as at 31st March 2018	9,82,96,996	4,00,000	7,64,12,985	1,99,10,683	(5,60,69,261)	(7,64,14,179)	(4,69,196)	6,20,68,030

See Accompanying Notes 1 to 26 forming part of the Financial Statements

As per our report of even date

For and on behalf of  
**B. K. Sood & Co.**  
Chartered Accountants  
Firm Registration No. 000948N

Sd/-  
CA Nitin Jain  
Partner  
M. No. 089895

Place : New Delhi  
Date : 01.05.2018

For and On behalf of the Board of Directors

Sd/-  
**ASHOK SAWHNEY**  
CHAIRMAN  
DIN 00303519

Sd/-  
**AMAN SAWHNEY**  
DIRECTOR & MANAGER  
DIN 00323283

Sd/-  
**ASHOK KUMAR**  
C.F.O

Sd/-  
**VIKAS JAIN**  
Company Secretary



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in Rs.)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
<b>A Cash Flow from Operating Activities</b>		
Profit / (Loss) before exceptional items and tax	(68,43,812)	34,38,282
Adjustments for:		
Depreciation	33,228	-
Operating (Loss) / Profit before working capital changes	<u>(68,10,584)</u>	<u>34,38,282</u>
<b>Adjustments for Increase In :</b>		
Inventories	44,38,909	(30,12,481)
Trade and other receivables	-	6,47,415
Other financial assets	(1,00,000)	98,994
Trade payables and other liabilities	23,38,682	(9,04,648)
Cash generated from / (used in) operations	<u>66,77,591</u>	<u>(31,70,720)</u>
<b>Net Cash from / (used in) Operating Activities (A)</b>	<u>(1,32,993)</u>	<u>2,67,562</u>
<b>B Cash flow from Investing Activities</b>		
Purchase of Property, Plant and Equipment & Intangible Assets	(1,23,500)	-
Investment	-	7,91,396
Share in Partnership Firm	-	(4,69,196)
<b>Net Cash from / (used in) Investing Activities (B)</b>	<u>(1,23,500)</u>	<u>3,22,200</u>
<b>C Cash flow from Financing Activities</b>	-	-
<b>Net cash from / (used in) Financing Activities (C)</b>	<u>-</u>	<u>-</u>
Opening balance of Cash & Cash equivalents	8,34,712	2,44,950
Closing balance of Cash & Cash equivalents	5,78,219	8,34,712
<b>Net Increase / (Decrease) in Cash and Cash equivalents</b>	<u>(2,56,493)</u>	<u>5,89,762</u>
<b>Total (A) + (B) + (C)</b>	<u>(2,56,493)</u>	<u>5,89,762</u>

See Accompanying Notes 1 to 26 forming part of the Financial Statements

As per our report of even date

For and on behalf of  
**B. K. Sood & Co.**  
Chartered Accountants  
Firm Registration No. 000948N

Sd/-  
CA Nitin Jain  
Partner  
M. No. 089895

Place : New Delhi  
Date : 01.05.2018

For and On behalf of the Board of Directors

Sd/-  
**ASHOK SAWHNEY**  
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DIN 00303519

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DIRECTOR & MANAGER  
DIN 00323283

Sd/-  
**ASHOK KUMAR**  
C.F.O

Sd/-  
**VIKAS JAIN**  
Company Secretary

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018****Note - 1 SIGNIFICANT ACCOUNTING POLICIES :****(A) BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The Company has adopted Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules 2015 with effect from 1st April 2017. The Adoption of the IND AS was carried out in accordance with the IND AS 101 First Time adoption of the Indian Accounting Standards. Accordingly Company's opening Ind AS Balance Sheet date of transition is 1st April 2016. Please refer to Note No 2 for more information on reconciliations of differences and descriptions of the effect of transition.

Accordingly the financial statements of the company with effect from 1st April 2017 have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015, the provisions of Companies Act, 2013, and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Financial statements of the company are prepared under the historical cost convention except certain financial assets which are measured at fair value.

For the periods up to and including the Financial Year ended 31st March 2017, the financial Statements were prepared in accordance with the Indian Generally Accepted Accounting Principal (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed by the Companies Act 2013 u/s 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of Companies Act, 2013, and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied

**(B) USE OF ESTIMATES AND JUDGEMENTS**

The preparation of the financial statements is in conformity with IND AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. The estimates and underlying assumptions are reviewed on going concern basis.

**(C) REVENUE RECOGNITION**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is generally accounted for on accrual or as and when they are earned except in case of significant uncertainty. Revenue from investing / trading in shares, securities etc. is recognized on trade dates on first in first out basis. Revenue from Derivative Instruments & any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedges In respect of completed transactions pending settlement process, necessary treatment is given in the accounts for the Profits/Losses arising from these transactions. Dividend Income is accounted for on receipt basis.

**(D) EXPENDITURE**

Expenses are accounted for on accrual basis.

#### **(E) PROPERTY, PLANT AND EQUIPMENT (PPE)**

Property, plant and equipment are stated at cost less accumulated depreciation. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition. On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1st April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment

#### **(F) DEPRECIATION**

Depreciation on Property, plant and equipment has been provided on straight line method (S.L.M.) on pro-rata basis at the rates of useful life and in the manner specified in Schedule II of the Companies Act, 2013.

#### **(G) INVENTORIES**

Inventories are valued at cost or Net Realizable Value, whichever is less on FIFO method. Cost includes purchase price, taxes and other incidental expenses, wherever applicable.

#### **(H) FINANCIAL INSTRUMENTS**

##### **Initial Recognition:**

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables/payables and where cost of generation of fair value exceeds benefits, which are initially measured at transaction price. Transaction costs directly related to the acquisition or issue of the financial assets and financial liabilities (other than financial assets and financial liabilities through Profit & Loss account) are added to or deducted from the cost of financial assets or financial liabilities. Transaction cost directly attributed to the acquisition of financial assets or financial liabilities at fair value through Profit & Loss account are recognized immediately in the statement of Profit & Loss.

##### **Subsequent Recognition:**

Non-derivative financial instruments

i). **Financial assets carried at amortized cost:** A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii). **Financial assets at fair value through other comprehensive income:** A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments (all being not held for trading), to present the subsequent changes in fair value in other comprehensive income based on its business model.

iii). **Financial assets at fair value through profit or loss:** A financial asset which is not classified in any of the above categories (including investment in units of mutual funds) is subsequently measured at fair value through Profit or Loss A/c.

iv). **Financial liabilities:** Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

## **I) FINANCIAL LIABILITIES**

Financial liabilities are initially recognized at the fair value of the consideration received less directly attributable transaction cost. Subsequent to initial measurement, financial liabilities are measured at amortized cost. The difference in the initial carrying amount of the financial liabilities and their redemption value is recognized in the statement of Profit & Loss A/c over the contractual term using the effective interest rate method. This category includes the following class of liabilities; trade and other payables, borrowing; and other financial liabilities. Financial liabilities are further classified as current and non-current depending whether they are payable within 12 months from the balance date or beyond. Financial liabilities are derecognized when the company is discharged from its obligation; they expire, are cancelled or replaced by a new liability with substantial modified terms.

## **J) EARNING PER SHARE**

Basic Earning per share is computed using Weighted Average Number of Equity Share Outstanding during the year. Diluted Earning per share is computed using Weighted Average Number of Equity and Dilutive Equity equivalent share outstanding during the year end.

## **K) TAX ON INCOME**

Current tax is measured at the amounts expected to be paid using the applicable tax rates and tax laws. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the profit & loss account in the year of change. Deferred tax assets and deferred tax liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases and operating loss carry forwards.

## **L) INVESTMENTS**

Investments are classified into Long term and Current Investment based on the intent of the management at the time of the acquisition. Long term investments are stated at cost less diminution in value of such investment other than temporary diminution.

## **M) IMPAIRMENT**

### **Financial Assets (Other than at Fair Value):**

The company assesses at each Balance Sheet date whether a financial assets or a group of financial assets is impaired in compliance of Ind AS 109

### **Non Financial Assets :**

If internal/external indication suggest that an asset of the company may be impaired, the recoverable amount of the asset is determined on the Balance Sheet date and if it is less than its carrying amount, the carrying amount of asset is reduced to the said recoverable amount. The recoverable amount is measured as the higher of the fair value less cost of disposal and value of use of such asset which is determined by the present value of the estimated future cash flows.

Assessment is also done at each balance sheet date as to whether there is any indication that the impairment loss recognized in prior period may no longer exist or may be decreased, a reversal of an impairment loss for an asset is recognized in the Statement of Profit and Loss.

## N) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A provision is recognized, if as a result of past event the company has present legal or constructive obligations that are reasonably be estimated and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to liability. Contingent liabilities are disclosed for possible obligations arising out of uncertain events not wholly in control of the company. Contingent assets are not recognized in the financial statements. However, due disclosures are made in the financial statements for the contingent assets, where economic benefits is probable and amount can be estimated reliably.

## O) TRADE & OTHER PAYABLES

These amounts represent liabilities for services received by the company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortized cost using the effective interest method.

## P) RECENT ACCOUNTING PRONOUNCEMENTS

### Standards issued but not yet effective

Amendments to Ind-AS 7, 'Statement of cash flows' as per notification issued by the Ministry of Corporate Affairs in March, 2017 in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of Cash Flows' is applicable to the Company from April 1st, 2018.

## Q) SEGMENT REPORTING

The Company operates in only one segment i.e., Capital Market operations, hence segment reporting in accordance with the Indian Accounting Standard-108 is not applicable.

### Note - 2 RECONCILIATIONS

The following reconciliations provides effect of transition to Ind AS from previous IGAAP, in accordance with Ind AS 101 :

- Equity as at 1st April 2016 and 31st March 2017
- Net Profit for the year ended 31st March, 2017

### A STATEMENT OF RECONCILIATION OF EQUITY IS GIVEN AS UNDER

(Amount In Rs.)

Particulars	Note No.	Opening Balance Sheet as at 1st April 2016			Balance Sheet as at 31st March 2017		
		IGAAP	Effect of transition	Ind AS	IGAAP	Effect of transition	Ind AS
<b>I ASSETS</b>							
<b>Non-Current Assets</b>							
a) Property, Plant and Equipment	3	21,099	-	21,099	21,099	-	21,099
b) Financial Assets							
i) Investments	4	12,88,65,575	-	12,88,65,575	10,55,16,527	-	10,55,16,527
ii) Other Non-Current Financial Assets	5	-	1,253	1,253	-	2,053	2,053
<b>Total Non-Current Assets</b>		<b>12,88,86,674</b>	<b>1,253</b>	<b>12,88,87,927</b>	<b>10,55,37,626</b>	<b>2,053</b>	<b>10,55,39,679</b>
<b>Current Assets</b>							
a) Inventories	6	1,36,28,786	-	1,36,28,786	1,66,41,267	-	1,66,41,267
b) Financial Assets							
i) Trade Receivables	7	5,56,47,415	-	5,56,47,415	-	-	-
i) Cash and Cash Equivalents	8	2,46,203	(1,253)	2,44,950	8,35,965	(1,253)	8,34,712
d) Other Current Assets	10	99,794	-	99,794	800	(800)	-
<b>Total Current Assets</b>		<b>6,96,22,198</b>	<b>(1,253)</b>	<b>6,96,20,945</b>	<b>1,74,78,032</b>	<b>(2,053)</b>	<b>1,74,75,979</b>
<b>TOTAL ASSETS</b>		<b>19,85,08,872</b>	<b>-</b>	<b>19,85,08,872</b>	<b>12,30,15,658</b>	<b>-</b>	<b>12,30,15,658</b>
<b>II EQUITY AND LIABILITIES</b>							
<b>EQUITY</b>							
a) Equity Share Capital	11	49,14,84,980	-	49,14,84,980	9,82,96,996	-	9,82,96,996
b) Other equity	12	(49,41,28,047)	-	(29,41,28,047)	2,44,71,373	-	2,44,71,373
<b>Total Equity</b>		<b>19,73,56,933</b>	<b>-</b>	<b>19,73,56,933</b>	<b>12,27,68,369</b>	<b>-</b>	<b>12,27,68,369</b>
<b>Liabilities</b>							
<b>Current Liabilities</b>							
a) Financial Liabilities							
i) Trade Payables	13	-	-	-	1,01,993	-	1,01,993
b) Other Current Liabilities	14	11,51,939	-	11,51,939	1,45,296	-	1,45,296
<b>Total Current Liabilities</b>		<b>11,51,939</b>	<b>-</b>	<b>11,51,939</b>	<b>2,47,289</b>	<b>-</b>	<b>2,47,289</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>19,85,08,872</b>	<b>-</b>	<b>19,85,08,872</b>	<b>12,30,15,658</b>	<b>-</b>	<b>12,30,15,658</b>

## STATEMENT OF RECONCILIATION OF TOTAL COMPREHENSIVE INCOME



## B. STATEMENT OF RECONCILIATION OF TOTAL COMPREHENSIVE INCOME

(Amount in Rs.)

Particulars	Note No.	For the Year Ended 31st March, 2017		
		As Per IGAAP	Effect of transition	As Per Ind AS
<b>REVENUE FROM OPERATION</b>				
Sales	15	2,78,80,502	-	2,78,80,502
Other Income	16	1,83,200	-	1,83,200
<b>Total Revenue</b>		<b>2,80,63,702</b>	<b>-</b>	<b>2,80,63,702</b>
<b>Expenses</b>				
Purchases		2,33,27,902	-	2,33,27,902
Change in Inventories		(30,12,481)	-	(30,12,481)
Employee benefits expenses	17	6,20,644	-	6,20,644
Other Expenses	18	41,58,550	(4,69,196)	36,89,354
<b>Total Expenses</b>		<b>2,50,94,615</b>	<b>(4,69,196)</b>	<b>2,46,25,419</b>
<b>Profit / (Loss) before exceptional items and tax</b>		<b>29,69,086</b>	<b>4,69,196</b>	<b>34,38,282</b>
<b>Exceptional items</b>		<b>(7,75,57,652)</b>	<b>2,25,57,652</b>	<b>(5,50,00,000)</b>
<b>Profit / (Loss) before tax</b>		<b>(7,45,88,566)</b>	<b>2,30,26,848</b>	<b>(5,15,61,718)</b>
Less: Tax Expenses		-	-	-
<b>Profit / (Loss) after tax</b>		<b>(7,45,88,566)</b>	<b>2,30,26,848</b>	<b>(5,15,61,718)</b>
<b>Other Comprehensive Income</b>				
Fair Value Change of Equity Instruments (Note - i)		-	(2,25,57,652)	(2,25,57,652)
Share in aggregate other Comprehensive Income of Associate(s) (Note - ii)		-	(4,69,196)	(4,69,196)
<b>Total</b>		<b>-</b>	<b>(2,30,26,848)</b>	<b>(2,30,26,848)</b>
<b>Total Comprehensive Income</b>		<b>(7,45,88,566)</b>	<b>-</b>	<b>(7,45,88,566)</b>

## Notes :

i). In accordance with the Ind AS 109 on "Financial Instruments", the company has opted for an irrevocable election to presents the subsequent changes in fair value of the equity instruments through the other comprehensive income. Accordingly cumulative net loss of Rs. 225.57 Lacs as at 31st March, 2017 on the value of investment has been adjusted to the Other Comprehensive Income on that date.

ii). Represents the effect of change in the profit & other comprehensive income of the associate on transition to Ind AS.

## Note - 3 Property, Plant and Equipment

(Amount in Rs.)

	Plant & Machinery	Office Equipment	Furniture & Fixtures	Total
<b>Gross Carrying Value</b>				
As at 1st April 2016	36,500	85,475	3,00,000	4,21,975
Addition During the year	-	-	-	-
Deduction During the year	-	-	-	-
<b>As at 31st March 2017</b>	<b>36,500</b>	<b>85,475</b>	<b>3,00,000</b>	<b>4,21,975</b>
Addition During the year	1,23,500	-	-	1,23,500
Deduction During the year	-	-	-	-
<b>As at 31st March, 2018</b>	<b>1,60,000</b>	<b>85,475</b>	<b>3,00,000</b>	<b>5,45,475</b>
<b>Depreciation / Amortisation</b>				
As at 1st April 2016	34,675	81,201	2,85,000	4,00,876
Provided for the year	-	-	-	-
Deduction During the year	-	-	-	-
<b>As at 31st March 2017</b>	<b>34,675</b>	<b>81,201</b>	<b>2,85,000</b>	<b>4,00,876</b>
Provided for the year	33,228	-	-	33,228
Deduction During the year	-	-	-	-
<b>As at 31st March, 2018</b>	<b>67,903</b>	<b>81,201</b>	<b>2,85,000</b>	<b>4,34,104</b>
<b>NET CARRYING VALUE</b>				
As at 1st April 2016	1,825	4,274	15,000	21,099
As at 31st March 2017	1,825	4,274	15,000	21,099
As at 31st March, 2018	92,097	4,274	15,000	1,11,371

**Note 4 - INVESTMENTS**

(Amount in Rs.)

Particulars	Face Value	As at 31st March, 2018		As at 31st March, 2017		1st April, 2016	
		Number	Amount	Number	Amount	Number	Amount
<b>I. Measured at Cost</b>							
<b>A. Equity Instruments</b>							
<b>Unquoted : Fully Paid-Up</b>							
International Amusement Limited	1920000	5,76,00,000	1920000	5,76,00,000	1920000	5,76,00,000	
Appu Ghar Securities & Solutions Private Limited	200000	1,00,00,000	200000	1,00,00,000	200000	1,00,00,000	
Appu Ghar Entertainment Private Limited	291000	1,33,21,980	291000	1,33,21,980	291000	1,33,21,980	
Uninet Strategic Advisory Limited	1215505	2,44,94,547	1215505	4,70,52,199	1215505	4,70,52,199	
Impairment in Fair value of Investments		(5,38,56,527)		(2,25,57,652)		-	
		<b>5,15,60,000</b>		<b>10,54,16,527</b>		<b>12,79,74,179</b>	
<b>B. Investment in Partnership Firm</b>		1,00,000		1,00,000		8,91,396	
		<b>1,00,000</b>		<b>1,00,000</b>		<b>8,91,396</b>	
<b>Total (I)</b>		<b>5,16,60,000</b>		<b>10,55,16,527</b>		<b>12,88,65,575</b>	
<b>Note 5 Other Non-Current Financial Assets</b>							
Fixed Deposit for a period more than 12Month*		1,253		1,253		1,253	
Interest Accrued but not due		800		800		-	
		<b>2,053</b>		<b>2,053</b>		<b>1,253</b>	
<b>Note 6 INVENTORIES</b>							
Inventories		1,22,02,358		1,66,41,267		1,36,28,786	
		<b>1,22,02,358</b>		<b>1,66,41,267</b>		<b>1,36,28,786</b>	
<b>Note 7 TRADE RECEIVABLES</b>							
<b>Current - Unsecured</b>							
Considered Good		-		-		5,56,47,415	
		<b>-</b>		<b>-</b>		<b>5,56,47,415</b>	
<b>Note 8 CASH &amp; BANK BALANCES</b>							
<b>Cash &amp; Cash Equivalents</b>							
Balance with Banks:							
- On Current Accounts		5,73,920		7,70,294		2,21,779	
Cash on Hand		4,299		64,418		23,171	
		<b>5,78,219</b>		<b>8,34,712</b>		<b>2,44,950</b>	
<b>Note 9 OTHER FINANCIAL ASSETS</b>							
Advances to Employees		1,00,000		-		-	
		<b>1,00,000</b>		<b>-</b>		<b>-</b>	
<b>Note 10 OTHER CURRENT ASSETS</b>							
Balance with Government Authorities		-		-		99,794	
		<b>-</b>		<b>-</b>		<b>99,794</b>	

**NETWORK LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

Note - 11 SHARE CAPITAL	(Amount in Rs.)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>AUTHORISED CAPITAL</b>			
26,25,00,000 Equity Shares of Rs.2/- each	52,50,00,000	52,50,00,000	52,50,00,000
(Previous Year 26,25,00,000 Equity Shares of Rs.2/- each)	6,00,00,000	6,00,00,000	6,00,00,000
6,00,000 Preference share of Rs.100/- each	<b>58,50,00,000</b>	<b>58,50,00,000</b>	<b>58,50,00,000</b>
<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>			
4,91,48,498 Equity Shares of Rs.2/- each	9,82,96,996	9,82,96,996	49,14,84,980
(Previous Year 4,91,48,498 Equity Shares of Rs.2/- each )	<b>9,82,96,996</b>	<b>9,82,96,996</b>	<b>49,14,84,980</b>

**a) RIGHTS, PREFERENCE AND RESTRICTIONS**

The company has only one class of shares referred to as equity shares having a par value of Rs.2/- each (Previous Year of Rs.2/- each). Holder of equity shares is entitled to one vote per share.

**b) THE RECONCILIATION OF NUMBER OF EQUITY SHARES OUTSTANDING AND AMOUNT OF SHARE CAPITAL IS SET OUT BELOW:**

	As at 31.03.2018		As at 31.03.2017	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Number of shares at the beginning	49148498	9,82,96,996.00	49148498	49,14,84,980
Add: Shares issued during the year	-	-	-	-
Less: Adjustments for Reduction of Share Capital during the year	-	-	-	39,31,87,984
Number of shares at the end	<b>4,91,48,498</b>	<b>9,82,96,996</b>	<b>4,91,48,498</b>	<b>9,82,96,996</b>

The details of shareholder holding more than 5% shares is set out below :

Name of Shareholders	As at 31st March, 2018		As at 31st March, 2017	
	Number	%	Number	%
Mr. Gian Vijeshwar	4007112	8.15	4007112	8.15
Mrs. Kusum Vijeshwar	3944488	8.03	3944488	8.03
Mr. Monny Vijeshwar	3666800	7.46	3666800	7.46
Mr. Robin Vijeshwar	4058200	8.26	4058200	8.26
Mr. Pankaj Shrimali	4902800	9.98	4902800	9.98
Mrs. Madhuri Shrimali	3337200	6.79	3337200	6.79
Appu Ghar Entertainment Pvt. Ltd.	4717400	9.60	4717400	9.60
San Share Shoppe Pvt. Ltd.	3709000	7.55	3709000	7.55
AAS Electronic Products Pvt Ltd.	4243600	8.63	4243600	8.63
Uninet Strategic Advisory Ltd	4121743	8.39	4116174	8.37



Note - 12 OTHER EQUITY

Particulars	Reserve & Surplus				Other Comprehensive Income		Total
	Capital Redemption Reserve	Securities Premium Reserve	Capital Reserve	Retained Earnings	Equity Instrument through other Comprehensive Income	Share in aggregate other Comprehensive Income of Associate(s)	
Balance as at 1st April 2016 as IGAAP	4,00,000	7,64,12,986	-	(7,09,58,955)	-	-	58,54,030
Adjustment for Effect of Transition to Ind AS (Refer Note No. 2)							
Total Other Comprehensive Income for the year (Net of Tax)						(2,31,341)	(2,31,341)
Fair Value Changes in Equity Instruments	-	-	-	-	(29,97,50,736)	-	(29,97,50,736)
Balance as at 01st April 2016 as per Ind AS	4,00,000	7,64,12,986	-	(7,09,58,955)	(29,97,50,736)	(2,31,341)	(29,41,28,047)
Total Other Comprehensive Income for the year (Net of Tax)						(4,69,196)	(4,69,196)
Fair Value Changes in Equity Instruments					(2,25,57,652)		(2,25,57,652)
Profit / (Loss) for the year				(5,15,61,718)			(5,15,61,718)
Adjustments for Reduction of Share Capital during the year			1,99,10,683	7,32,95,224	29,97,50,736	2,31,341	39,31,87,984
Balance as at 31st March 2017	4,00,000	7,64,12,986	1,99,10,683	(4,92,25,449)	(2,25,57,652)	(4,69,196)	2,44,71,373
Fair Value Changes in Equity Instruments					(5,38,56,527)		(5,38,56,527)
Profit / (Loss) for the year				(68,43,812)			(68,43,812)
Balance as at 31st March, 2018	4,00,000	7,64,12,986	1,99,10,683	(5,60,69,261)	(7,64,14,179)	(4,69,196)	(3,62,28,966)

				(Amount in Rs.)		
		As at 31st March 2018	As at 31st March 2017	As at 1st April 2016		
<b>Note-13</b>	<b>TRADE PAYABLES</b>					
	Trade Payables	23,95,693	1,01,993	-		
		<u>23,95,693</u>	<u>1,01,993</u>	<u>-</u>		

		As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Note-14</b>	<b>OTHER CURRENT LIABILITIES</b>			
	Expenses Payable	1,59,400	1,45,296	1,51,939
	Statutory Dues	12,293	-	-
	Other payables	18,585	-	10,00,000
		<u>1,90,278</u>	<u>1,45,296</u>	<u>11,51,939</u>

		(Amount in Rs.)	
		For the year ended 31st March 2018	For the year ended 31st March 2017
<b>Note-15</b>	<b>Revenue from Operations</b>		
	Sales	5,12,70,203	2,78,80,502
		<u>5,12,70,203</u>	<u>2,78,80,502</u>

		For the year ended 31st March 2018	For the year ended 31st March 2017
<b>Note-16</b>	<b>OTHER INCOME</b>		
	Interest on Fixed Deposit	-	383
	Dividend Income	97,864	1,80,660
	Interest on Income Tax Refund	-	2,157
		<u>97,864</u>	<u>1,83,200</u>

		For the year ended 31st March 2018	For the year ended 31st March 2017
<b>Note-17</b>	<b>EMPLOYEE BENEFITS EXPENSES</b>		
	Establishment Expenses	12,39,887	5,88,300
	Staff Welfare Expenses	72,445	32,344
		<u>13,12,332</u>	<u>6,20,644</u>

**Note-18 OTHER EXPENSES**

Advertisement	69,889	76,141
Travelling & Conveyance	60,667	50,190
Audit Fees	1,00,000	1,15,000
Books & Periodicals	17,347	2,210
AGM Expenses	1,25,399	1,42,920
Rent / Hire Charges	1,78,800	1,35,000
Printing and Stationery	70,056	40,184
Postage & Courier	1,08,774	1,000
Communication Expenses	32,093	18,151
Fees & Subscription Charges	5,86,598	5,86,070
Professional and legal Charges	2,72,332	22,34,835
Repair and Maintenance	1,14,878	53,067
Electricity & Water Charges	36,722	13,892
Festival Expenses	32,548	37,140
Sitting Fee	1,45,000	1,58,500
Service Tax & GST paid on Expenses	72,904	-
Misc. Expenses	20,216	25,055
	<b>20,44,224</b>	<b>36,89,355</b>

**19 CONTINGENT LIABILITIES**

a) claims against the Company not acknowledged as debts in respect of:-

	For the Year	Previous Year
	In Lacs	In Lacs
Sales Tax	-	12.55
Income Tax	-	14.34
Others	11.62	23.08

b) The management is of the view that provisions for contingent liabilities in relation to pending litigations before Tax authorities is no longer required as the same has been either disposed off or barred by limitation.

c) The Company has provided following Equity Shares as margin against Derivative Products.

Description	No. of Shares
Bharat Heavy Electricals Limited	33,900
IDFC Ltd	10,000
Tech Mahindra Limited	650
Reliance Power Limited	2,00,000
Coal India Ltd	1,700

**20 Basic and Diluted Earnings per Share**

(Rs. In Lacs)

Particulars	For the Year	Previous Year
Profit / (Loss) for the year	(6,07,00,339)	(7,45,88,566)
Weighted Average number of equity shares (nos.)	49148498	49148498
Earning per Share (basic & diluted)	-1.24	-1.52

**21 Amount paid / payable to Auditors:**

(Rs. In Lacs)

Particulars	Current Year	Previous Year
Audit Fees	1.00	1.00
Others	0.20	0.83

22 Disclosure under Indian Accounting Standard- 24 "Related Party Disclosures" Issued by The Institute of Chartered Accountants of India :-

**A. List of related parties**

**a). Partnership Firm**

1. United Trading Co., a Partnership Firm

**b). Associates**

1. Uninet Strategic Advisory Ltd, a Associate Company  
2. Sadhna Dials Private Limited a Associate Company

**c) Key Management Personnel**

1. Mr. Ashok Kumar : C.F.O  
2. Mr. Vikas Jain : DGM - Corporate Affairs & Company Secretary

**B. Companies controlled by key management personnel with whom transactions have taken Place during the year**

(Rs. In Lacs)

Description	Associates		Directors	
	This Year	Previous Year	This Year	Previous year
Sitting Fee paid to all Directors	-	-	1.45	1.90
Professional / Advisory Charges	-	-	-	10.00
Loan Repayment	-	10.00	-	-
Closing Balance ( DR )	-	-	-	-
Closing Balance ( CR )	-	10.00	-	-

23 Fixed Deposit with Bank of Rs. 1,253/- is Pledged for Bank Guarantee furnished to Sale Tax Authority.

24 Performance of long-term investments are being monitored by the Company continuously and based on review undertaken as per the latest audited financial statements during the period 2016 to 2018 of the investee companies, for the adjustments necessary in the carrying value of long-term investments, the company as an abundance caution has recognized a diminution, other than temporary of Rs. 5,38,56,527/-.

25 Foreign Currency Transactions: Nil

26 Previous Year's figures have been regrouped / rearranged wherever necessary.

As per our report of even date

For and on behalf of

**B. K. Sood & Co.**

Chartered Accountants

Firm Registration No. 000948N

Sd/-

CA Nitin Jain

Partner

M. No. 089895

Place : New Delhi

Date : 01.05.2018

For and On behalf of the Board of Directors

Sd/-

**ASHOK SAWHNEY**

CHAIRMAN

DIN 00303519

Sd/-

**AMAN SAWHNEY**

DIRECTOR & MANAGER

DIN 00323283

Sd/-

**ASHOK KUMAR**

C.F.O

Sd/-

**VIKAS JAIN**

Company Secretary



**NETWORK LIMITED**

W-39, Okhla Industrial Area, Phase II, New Delhi – 110020

Ph. 011-41067060, E-mail: network.limited@gmail.com

Website: www.networklimited.net, CIN No L32209DL1989PLC034797

**PROXY FORM**

Name of the member(s): _____
Registered address: _____
E-mail ID: _____
Folio/DP ID-Client ID No.: _____

I/We being the member(s) of \_\_\_\_\_ shares of the above named Company hereby appoint:

- (1) Name: \_\_\_\_\_ address: \_\_\_\_\_  
E-mail ID \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him;
- (2) Name: \_\_\_\_\_ address: \_\_\_\_\_  
E-mail ID \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him;
- (3) Name: \_\_\_\_\_ address: \_\_\_\_\_  
E-mail ID \_\_\_\_\_ Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29<sup>th</sup> Annual General Meeting of the Company, to be held on Tuesday 25<sup>th</sup> September 2018 at 11.00 a.m. at MPCU Shah Auditorium, Shree Gujrati Samaj Marg, Civil Lines, Delhi-110054 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. To pass ordinary resolution for Adoption of Statement of Profit and Loss, Balance Sheet, Report of Board of Directors and Auditors for the year ended March 31, 2018.
2. To pass ordinary resolution for Re-appointment of Mr. Aman Sawhney (DIN – 00323283) as a Director of the Company.
3. To pass ordinary resolution for Re-appointment of Mr. Pankaj Shrimali (DIN – 00013142) as a Director of the Company.
4. To pass ordinary resolution for Re-appointment of Mr. Aman Sawhney as Manager.
5. To pass Special resolution for Re-appointment of Mr. Vijay Kalra as an Independent Director.
6. To pass Special resolution for Re-appointment of Mr. Gauri Shanker Goyal as an Independent Director.
7. To pass Special resolution for Re-appointment of Mr. Umong Sethi as an Independent Director.
8. To pass Special resolution for Re-appointment of Mrs. Neena Sethi as an Independent Director.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018

Signature of Shareholder \_\_\_\_\_

Signature of Proxy Holder (s) \_\_\_\_\_

Affix One Rupee Revenue Stamp
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**Note:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 29<sup>th</sup> Annual General Meeting.

