

**NOTICE** is hereby given that the Twenty Seventh Annual General Meeting of the Members of Network Limited will be held on Wednesday, 28<sup>th</sup> day of September, 2016 at 11.00 A.M. at MPCU Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Delhi – 110054, to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the financial statements of the Company for the year ended March 31, 2016, including the audited Balance Sheet as at March 31, 2016, the statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Pankaj Shrimali (DIN – 0013142), who retires by rotation and, being eligible seeks re-appointment.
3. To appoint a director in place of Mr. Aman Sawhney (DIN – 00323283), who retires by rotation and, being eligible seeks re-appointment.
4. To re-appoint auditors and to fix their remuneration S. Kapoor & Associates, Chartered Accountants (Firm Registration Number FRN 003528N), the retiring auditors, being eligible, offer themselves for re-appointment.

**SPECIAL BUSINESS:**

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

**“RESOLVED THAT** pursuant to Section 100 to 104 and other applicable provisions, if any, of the Companies Act, 1956, Article no. 13 of Articles of Association of the company and applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and subject to the approval of the Hon'ble High Court of Delhi and subject to such other approvals, consents, permissions or sanctions of any other concerned authority, body or institution, if any, (hereinafter collectively referred to as “the concerned authorities”) as may be required, and subject to such other conditions or guidelines, if any, as may be prescribed or stipulated by any of such concerned authorities, from time to time, while granting such approvals, consents, permissions or sanctions; the consent of the members of the Company be and is hereby accorded for the reduction of share capital of the Company by 80% and writing off the accumulated losses of the Company as on 31st March, 2016, against such reduction of capital.

**RESOLVED FURTHER THAT** the terms and conditions of such Reduction of Capital which, inter-alia, include the following:

- a. The paid up value of each Equity Share of the Company will be reduced from Rs.10 per share to Rs.2 per share and the total paid up Share Capital of the Company shall be reduced from Rs.49,14,84,980 divided into 4,91,48,498 Equity Shares of Rs.10 each, fully paid-up, to Rs. 9,82,96,996 divided into 4,91,48,498 Equity Shares of Rs.2 each, fully paid-up.
- b. The accumulated losses of the Company being the debit balance of Profit & Loss Account to the tune of Rs. 37,32,77,301 as per the audited Balance Sheet of the Company as on 31<sup>st</sup> March, 2016, will be written off against such Reduction of Capital.
- c. The difference between the amount of reduction in Share Capital and the amount of debit balance of Profit and Loss Account written off, shall be credited to the Capital Reserve Account.
- d. The Reduction of Capital shall be on proportionate basis and all the pre-reduction shareholders will remain as the shareholders of the Company even after the Reduction in the same proportion.

be and are hereby approved.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board of Directors of the Company (hereinafter called the 'Board', which term shall be deemed to include any person (s) authorized and / or Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) or any officer so authorized by the Board, be and are hereby authorized on behalf of the Company to perform all such acts, deeds, matters and things as it may, in its absolute discretion, deem fit, necessary, proper or desirable, including but not limited to preparing, finalizing, signing, submitting, filing, any undertaking, application, representation, petition, letter, form, deed, and any other documents in respect thereof, and / or to engage any advisor, consultant, agent or intermediary, as may be deemed necessary and / or to seek the requisite approvals, as may be applicable, from the appropriate authorities including but not limited to Hon'ble High Court of Judicature of applicable jurisdiction or the National Company Law Tribunal, Stock Exchanges where the securities of the company are listed, SEBI or other appropriate authorities and/or to represent the Company before the said authorities and / or to settle any question, difficulty, doubt that may arise, if any, with regard to this dealing and / or to make necessary adjustment(s) to the accounts and / or reconsider the matter due to change in circumstances as it may in its absolute

discretion deem fit, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

**By order of the Board  
For Network Limited**

**Sd/-  
Aman Sawhney  
Manager & Director**

**Place: New Delhi  
Date: 11/08/2016**

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY AT W-39, OKHLA INDUSTRIAL AREA, PHASE-II, NEW DELHI-110020, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A BLANK PROXY FORM IS ATTACHED WITH THE ANNUAL REPORT. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY.
2. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. Additional information pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Director seeking re-appointment as mentioned under item no. 2 & 3 of this notice is appended. Further, the Company has received relevant disclosure/consent from the Director seeking re-appointment.
4. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 setting out details relating to the special business mentioned under item nos. 5 of this notice, is annexed hereto.
5. The Register of Members and Share Transfer Books of the Company shall remain closed during the Book Closure period, i.e., from 21<sup>st</sup> September, 2016 to 28<sup>th</sup> September, 2016, both days inclusive.
6. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
7. Members are requested to notify any change in their address to the Company's Registrar & Share Transfer Agent, quoting their folio number.
8. Pursuant to the provisions of the Companies Act, 2013 read with the Rules framed thereunder, the Company may send notice of general meeting, directors' report, auditors' report, audited financial statements and other documents through electronic mode. Further, pursuant to the first proviso to the Rule 18 of the Companies (Management and Administration) Rule, 2014, the Company shall provide an advance opportunity at least once in a financial year to the members to register their e-mail address and changes therein. In view of the same, Members are requested to kindly update their e-mail address with depository participants in case of holding shares in demat form. If holding shares in physical form, Members are requested to inform their e-mail ID to the Company.
9. Electronic copy of the Notice of the 27<sup>th</sup> Annual General Meeting of the Company inter-alia indicating the process and manner of remote e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the aforesaid documents are being sent by the permitted mode. The Annual Report of the Company circulated to the Members of the Company, shall also be made available on the Company's website at [www.networklimited.net](http://www.networklimited.net) and also on website of the respective Stock Exchanges.  
Voting through electronic means
10. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rules thereunder and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is pleased to provide members facility to exercise their right to vote on the resolutions proposed to be considered at the 27<sup>th</sup> Annual General Meeting (AGM)

by electronic means and the business may be transacted through remote e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM “Remote E- Voting” will be provided by National Securities Depository Limited (NSDL)

11. The facility for voting through Poll Paper shall be made at the AGM and the Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through Poll Paper. Members who cast their vote by remote e-voting prior to the AGM may also attend AGM but shall not be entitled to cast their vote again.
12. The remote e-voting period commences on Sunday, September 25<sup>th</sup> 2016 (9:00 A.M. IST) and ends on Tuesday, September 27<sup>th</sup> 2016 (5:00 P.M. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e. 21<sup>st</sup> September, 2016, may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
13. The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the record date i.e. 21<sup>st</sup> September, 2016.
14. The instructions for remote e-Voting are as under:
  - a. NSDL shall be sending the User ID and Password; to those members whose shareholding is in the dematerialized format and whose email addresses are registered with the Company/Depository Participants. For members who have not registered their email address, can use the details as provided at the bottom of the Attendance Slip being sent along with the Annual Report.
  - b. Open the internet browser and type the following URL: [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
  - c. Click on Shareholder-Login
  - d. Put User ID and Password as initial password noted in step (a) above and click Login. If you are already registered with NSDL for remote e-voting then you can use your existing User ID and Password for the Login.
  - e. If you are logging in for the first time, the Password change menu will appear. Change the Password with new Password of your choice. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - f. Once the remote e-voting home page opens, click on remote e-voting: Active Voting Cycles.
  - g. Select “EVEN (Electronic Voting Event Number)” of Network Limited.
  - h. Once you enter the Cast Vote page will open. Now you are ready for e-voting.
  - i. Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
  - j. Upon confirmation, the message “Vote cast successfully” will be displayed.
  - k. Once you have voted on the resolution, you will not be allowed to modify your vote.
  - l. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter etc. together with the attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at [ama.scrutinizers@gmail.com](mailto:ama.scrutinizers@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
15. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com). You can also contact NSDL via email at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
16. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 21<sup>st</sup> September, 2016 may obtain the login ID and password by sending an email to [network.limited@gmail.com](mailto:network.limited@gmail.com) or [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) by mentioning their Folio No./DP ID and Client ID No.  
 However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using “Forget User Details/Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no. 1800-222-990.
17. Mrs. Anchal Mittal, Practising Company Secretary (Membership No. F-7161) has been appointed as the Scrutinizer to scrutinize the remote e-voting process and poll process in a fair and transparent manner.
18. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with

the assistance of scrutinizer, by use of poll paper for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility

19. The Scrutinizer shall after the conclusion of voting at the AGM will count the votes casted at the Meeting and thereafter unblock the votes casted through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make not later than 3 days of conclusion of AGM, a consolidated Scrutinizer's Report of the total votes casted in favour or against, if any, forthwith to the Chairman or a person authorized by him in writing who shall countersign the same and declare the results of the voting forthwith.
20. The Results declared along with the report of the Scrutinizer shall be placed on the Company's website: [www.networklimited.net](http://www.networklimited.net), and on the website of NSDL immediately after the declaration of results by the Chairman or a person authorized by him in writing. The Results shall also be simultaneously forwarded to the concerned Stock Exchanges.
21. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.
22. The company has designated an exclusive email ID called [network.limited@gmail.com](mailto:network.limited@gmail.com) for redressal of shareholders' complaints/ grievances. In case you have any queries/ complaints or unresolved grievances, then please write to us at [network.limited@gmail.com](mailto:network.limited@gmail.com).

**By order of the Board  
For Network Limited**

**Sd/-  
Aman Sawhney  
Manager & Director**

**Date:11/08/2016**

**DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING PURSUANT TO ITEM NO. 2 & 3 OF THE AFORESAID NOTICE, AS REQUIRED UNDER REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 & SECRETARIAL STANDARD ON GENERAL MEETINGS IS PROVIDED HEREIN BELOW:**

<b>Name of the Director</b>	<b>Mr. Pankaj Shrimali</b>	<b>Mr. Aman Sawhney</b>
Date of Birth & Age	17th July, 1962, Age: 53 years	24 <sup>th</sup> April, 1968, Age: 47
Date of Appointment	18th February, 2005	17 <sup>th</sup> May 2010
Qualifications	B.com(H), FCA, FCS, FCWA	M.B.A
Expertise in specific functional Area	He has over 30 years of experience in the areas of Finance, Accounts, Secretarial, Corporate Management, Legal & Corporate consultancy services, Strategic Management, project finance planning, capital restructuring, joint venture, merger & acquisitions, private equity, Investment Banking, due diligence exercise etc.	He is having 24 years of experience in quality control, manufacturing and marketing of high quality precision wrist watches/dials and lifestyle products.
Directorships held in other listed Public Companies	RelaxoFootwears Ltd	NIL
Chairman/ Member of the Committees of the Board of other companies	Relaxo Footwears Ltd Chairman – Audit Committee	NIL
Relationship with other Directors inter-se	None	None of the Directors have inter-se relationship except Mr. Aman Sawhney and Mr. Ashok Sawhney. Mr. Aman Sawhney is the son of Mr. Ashok Sawhney.
Number of shares held in the Company	4902800	NIL

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### ITEM NO. 5

The Company has accumulated losses amounting to Rs 37,32,77,301/- (Rupees Thirty Seven Crore Thirty Two Lakhs Seventy Seven Thousand Three Hundred and One Only) as per the Audited Balance Sheet as at 31st March 2016.

In order to re-align the relation between capital & assets; and to accurately and fairly reflect the liabilities & assets of the Company in its books of accounts; and for better presentation of the financial position of the Company, the Board of Directors has decided to write off the accumulated losses against reduction in the share capital of the Company in accordance with section 100 to 104 of the Companies Act, 1956 and other applicable provisions.

The Proposed Reduction would enable the company to reflect the better financial position in its balance sheet. This would subsequently enable the company to raise required finance to enable the company to develop its business activities and thereby increase its net worth as well as enhance the stakeholder's value.

This resolution is subject to the approval of shareholders and Hon'ble High court of New Delhi. Up on approval of the Reduction of Share Capital, the Subscribed and Paid up Share Capital of the company shall stand reduced from Rs. 49,14,84,980/- (Rupees Forty Nine Crore Fourteen Lakh Eighty Four Thousand Nine Hundred and Eighty Only) divided into 4,91,48,498 (Four Crore Ninety One Lakh Forty Eight Thousand Four Hundred and Ninety Eight Only) Equity Shares of Rs. 10/- (Rupees Ten Only) each to Rs. 9,82,96,996/- (Rupees Nine Crore Eighty Two Lakh Ninety Six Thousand Nine Hundred and Ninety Six Only) divided into 4,91,48,498 (Four Crore Ninety One Lakh Forty Eight Thousand Four Hundred and Ninety Eight Only) Equity Shares of Rs.2/- (Rupees Two Only) each.

The Board, at meeting held on 16<sup>th</sup> May, 2016 has accorded its approval for reduction of capital. The BSE Limited have vide their letter dated 2<sup>nd</sup> August, 2016, issued Observation Letter to the proposal of Reduction of Capital. In terms of the Securities and Exchange Board of India ('SEBI') Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015, the Complaint Report and Observation Letters of the Stock Exchanges are enclosed herewith (As Annexure 1 and Annexure 2 respectively). The Company has obtained Fairness Opinion on the proposed Capital Reduction, copy of which is enclosed as Annexure 3 and the same is also available on the web-site of the Company.

Further, the proposed Capital Reduction would not in any way adversely affect the ordinary operations of the Company and the Company's equity capital structure will remain unchanged. There will be no change in the shareholding pattern of the Company pursuant to the proposed reduction of Capital as no issue of shares or reduction or cancellation of shares by the Company are envisaged under the proposed reduction of capital.

The Capital Structure and Shareholding Pattern of the Company pre-reduction of Capital as on March 31, 2016 and post reduction of Capital is as follows:

Capital Structure (In Rs.)		
Particulars	Pre reduction of capital as on March 31, 2016	Post reduction of capital
Authorised Capital	58,50,00,000	58,50,00,000
Issued & Subscribed Capital	49,14,84,980	9,82,96,996
Paid up Capital	49,14,84,980	9,82,96,996

SHAREHOLDING PATTERN					
Sl. No.	Particulars	Pre reduction of capital as on March 31, 2016		Post reduction of capital	
		No. of Shares	%	No. of Shares	%
1	Promoters	29749583	60.53	29749583	60.53
2	Public	19398915	39.47	19398915	39.47
TOTAL		49148498	100.00	49148498	100.00

The proposed scheme of reduction and relevant documents are available at <http://www.networklimited.net/investor.html>

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in this resolution except to the extent of their shareholding in the Company.

Your Directors recommend the Resolution for your approval as Special Resolution.

**By order of the Board  
For Network Limited**

**Place: New Delhi  
Date:11/08/2016**

**Sd/-  
Aman Sawhney  
Manager & Director**



Sub: Complaints report as per SEBI Circular no. CIR/CFD/CMD/16/2015 dated November 30, 2015

Re: Scheme of Reduction of Capital of Network Limited

**Complaint Report**


**Part A**

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchanges	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	N.A.
5.	Number of complaints pending	N.A.

**Part B**

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
		N.A.	

For Network Ltd

  
Vikas Jaiswal  
Company Secretary

Date: 22<sup>nd</sup> July, 2016

Place: New Delhi

**Network Limited**

W-39, Okhla Industrial Area, Phase II, New Delhi - 110020, Phone : +91-11-26389611, Email : network.limited@gmail.com  
CIN - L32209DL1989PLC034797 Website : www.networklimited.net



## ANNEXURE - 2

DCS/AMAL/AC/24(f)/477/16-17  
August 02, 2016

The Company Secretary  
**NETWORK LTD**  
W-39, Okhla Industrial Area, Phase-II,  
New Delhi, Delhi, 110020.

Sir/Madam,



**Sub: Observation letter regarding the Draft Scheme of Reduction of Capital of Network Limited.**

We are in receipt of Draft Scheme of Reduction of Capital of Network Limited and its members filed as required under SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015; SEBI vide its letter dated August 2, 2016, has inter alia given the following comment(s) on the draft scheme of arrangement:

- "Company to ensure that additional information, if any, submitted by the Company, after filling the scheme with the stock exchange, is displayed from the date of receipt of this letter on the website of the listed company"
- "Company shall duly comply with various provisions of the Circulars."

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble High Court.

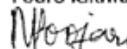
Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

- a. Copy of the High Court approved Scheme;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
- d. Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
- e. Status of compliance with the Observation Letter/s of the stock exchanges;
- f. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- g. Complaints Report as per Annexure II of this Circular.
- h. Any other document/disclosure as informed by the Exchange.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,

  
**Nitin Pujari**  
Manager



BSE Limited (Formerly Bombay Stock Exchange Ltd.)  
Registered Office: Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India  
T : +91 22 2272 1234/53 E: corp.comm@bseindia.com www.bseindia.com  
Corporate Identity Number : U67120MH2005PLC055166

**D & A FINANCIAL SERVICES (P) LIMITED**

Merchant Banking &amp; Corporate Advisory Services

To,  
The Board of Director  
**NETWORK LIMITED**  
W-39, Okhla Industrial Area, Phase-II  
New Delhi-110020

**Subject: Fairness Opinion in connection with the proposed scheme of Reduction of Capital of Network Limited.**

Dear Sir/s,

We M/s D and A Financial Services (P) Ltd., SEBI registered Merchant Banker, having license no. INM000011484 have been appointed by M/s Network Limited to provide a fairness opinion on the proposed scheme of reduction of capital pursuant to draft scheme of reduction of capital under relevant provisions of Companies Act.

**Company Profile:**

Network Limited is a company incorporated as a Limited Company vide certificate of incorporation dated January 25, 1989 under the provisions of the Companies Act, 1956 and the name of the company was changed to its present name vide fresh certificate of incorporation dated November 09, 1990. The registered office of the company is situated at W-39, Okhla Industrial Area, Phase-II, New Delhi-110020.

Network Limited is a public listed company and its shares are listed on the The BSE Limited ("BSE").

**Rational of the Scheme:**

The present issued, subscribed and paid-up share capital of the company is Rs. 49,14,84,980/- divided in to 4,91,48,498 equity shares of Rs 10/- each. As on March 31, 2016, the company has accumulated losses to the tune of Rs 37,32,77,301/- and accordingly capital of the company has been lost to this extent.



1



Merchant Banking &amp; Corporate Advisory Services

In order to re-align the relation between capital & assets and to accurately and fairly reflect liabilities and assets of the company in its book of accounts. To achieve the above objectives, a Scheme of Reduction of Capital is presented under Sections 100 to 104 and other applicable provisions of the Companies Act, 1956, the Companies Act, 2013 to the extent applicable.

#### **Sources of the Information**

We have received the following information from the management of the Companies:

1. Proposed Draft Scheme of Arrangement.
2. A Copy of Memorandum and Articles of Association of the company.
3. Audited Financial Statements for the year ended March 31, 2016.
4. A copy of letter dated May 16, 2016 issued by statutory auditor of the company M/s S. Kapoor & Associates, Chartered Accountant having its office at B-42, LGF Kailash Colony, New Delhi-110048 for non-applicability of valuation report under Para 4 of Annexure I to the SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015.

#### **Scope and Purpose of the Opinion**

Pursuant to the requirements of SEBI circular no. CIR/CFD/CMD/16/2015 dated 30<sup>th</sup> November, 2015, a fairness opinion has to be obtained from an independent merchant banker on the valuation of assets/shares done by the valuer for the listed as well as unlisted companies. The purpose of the opinion is to safeguard the interest of the shareholders and that of the companies involved in the proposed Scheme and this opinion shall be made available to the shareholders of the relevant Companies at the time of their meeting to pass the necessary resolution for the proposed Scheme and to any other relevant authority.

**We have not made an appraisal or independent valuation of any of the assets or liabilities and financial statements of M/s Network Limited and have not conducted an audit or due diligence or reviewed/ validated the financial data provided to us by the Company.**

**Disclaimer: This opinion is intended solely for the limited purpose mentioned earlier and should not be regarded as a recommendation to the investors to invest in Companies or deal in any form in the**





securities of the Company and should also not be considered as a final equity value of the Company.

This letter is for the benefit of and confidential use by the Company. This opinion is not meant for meeting any other regulatory or disclosure requirements, save and except as specified above, under any Indian or foreign law, statute, act guideline or similar instruction. The Management or related parties of Network Limited are prohibited from using this opinion other than for its sole limited purpose and not to make a copy of this opinion available to any party other than those required by statute for carrying out the limited purpose of this opinion.

In no circumstances whatsoever, will D and A Financial Services (P) Limited, its Directors and employees accept any responsibility of liability towards any third party for consequences arising out of the use of this opinion.

#### **Fairness Opinion**

We in the capacity of SEBI registered Merchant Banker do hereby certify on the basis of information and data provided to us or made available to us to the best of our knowledge that the scheme of reduction is Fair.

The aforesaid scheme of reduction shall be subject to receipt of approval from Honorable High Court of respective jurisdictions, the relevant stock exchanges, SEBI and other statutory authority approvals as may be required.

D and A Financial Services (P) Limited has issued this fairness opinion with the understanding that draft scheme of reduction shall not be materially altered and the parties hereto agree that fairness opinion would not stand good in case of final scheme of amalgamation alters the transactions.

Thanking You

For **D&A Financial Services (P) Limited**

(M K Doogar)

Director

Date: 24.06.2016

Place: New Delhi

