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**NETLINK SOLUTIONS (INDIA) LIMITED**

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**27<sup>TH</sup> ANNUAL REPORT**

<b>BOARD OF DIRECTORS</b>	<b>MINESH V. MODI</b>	Whole Time Director
	<b>RUPA M. MODI</b>	Executive Director
	<b>YOGESH B. GIRNARA</b>	Director
	<b>RAJENDRA S. LOKARE</b>	Director
	<b>PREMNATH T. MISHRA</b>	Director

**BANKERS** **HDFC BANK LIMITED**

**AUDITORS** **K. U. KOTHARI & CO.**  
CHARTERED ACCOUNTANTS

**REGISTERED OFFICE** **507, LAXMI PLAZA,**  
**LAXMI INDUSTRIAL ESTATE,**  
**OFF NEW LINK ROAD,**  
**ANDHERI (W),**  
**MUMBAI – 400 053**

**REGISTRAR AND** **ADROIT CORPORATE SERVICES PVT. LTD.**  
**TRANSFER AGENT** **19, JAFFERBHOY INDUSTRIAL ESTATE,**  
**MAKWANA ROAD,**  
**MAROL NAKA, ANDHERI (E),**  
**MUMBAI – 400 059**

# NETLINK SOLUTIONS (INDIA) LIMITED

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## NOTICE

NOTICE is hereby given that the Twenty Seventh Annual General Meeting of the Members of Netlink Solutions (India) Limited will be held on Friday, 28<sup>th</sup> September, 2012 at 9.30 a.m. at the Registered office of the Company at 507, Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (W), Mumbai – 400 053 to transact the following businesses:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2012, Profit and Loss account for the year ended on that date and the reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Rupa Modi who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Mr. Yogesh Girnara who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

### SPECIAL BUSINESS:

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

#### 5. Alteration of Articles of Association (AOA) of the Company

“**RESOLVED THAT** pursuant to the provisions of section 31 and all other applicable provisions, if any, of the Companies Act, 1956 and Rules framed thereunder and the provisions of other statutes as applicable and subject to such approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies, the existing Articles of Association of the Company be amended as under:

The following Articles be inserted after the existing Article 11 as Article 11A & Article 11B:

#### Participation through Electronic Mode

- 11A. Notwithstanding anything contrary contained in the Articles of Association, the Company may provide Video Conference facility and/or other permissible electronic or virtual facilities for communication to enable the Shareholders of the Company to participate in General Meetings of the Company. Such participation by the Shareholders at General Meetings of the Company through Video Conference facility and/or use of other permissible electronic or virtual facilities for communication shall be governed by such legal or regulatory provisions as applicable to the Company for the time being in force.
- 11B. Notwithstanding anything contrary contained in the Articles of Association, a document may be served by the Company on any Member by any electronic mode of communication and in such manner as is/ may be permitted by any law. Where a document is served by any such electronic mode, the service thereof shall be deemed to be effected in the manner as is/may be provided by any law.

The following Article be inserted after the existing Article 15 as Article 15A:

#### Participation through Electronic Mode

- 15A. Notwithstanding anything contrary contained in the Articles of Association, the Director(s) may participate in Meetings of the Board and Committees thereof, through Video Conference facility and/or other permissible electronic or virtual facilities for communication. Such participation by the Director(s) at Meetings of the Board and Committees thereof, through Video Conference facility and/or use of other permissible electronic or virtual facilities for communication shall be governed by such legal or regulatory provisions as applicable to the Company for the time being in force.

## **NETLINK SOLUTIONS (INDIA) LIMITED**

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Provided that a Director participating in a Meeting through use of Video Conference or any other permissible electronic mode of communication shall be counted for the purpose of quorum, notwithstanding anything contrary contained in the Articles of Association.

**FURTHER RESOLVED THAT** the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include any Committee or any person which the Board may constitute/ nominate to exercise its powers, including the powers conferred by this Resolution) be authorised to carry out the abovementioned amendments in the existing Articles of Association of the Company and that the Board may take all such steps as may be necessary to give effect to this Resolution."

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

**6. To Keep Registers and other Statutory Records of the Company at office other than Registered office of the Company**

**"RESLOVED THAT** approval be accorded to the Company to keep its Registers and Index of Members and copies of Annual Returns prepared under section 159 of the Companies Act, 1956 together with copies of Certificates and documents required to be annexed thereto under section 161 of the Companies Act, 1956 or one of them at the office premises of the Company's Registrar & Share Transfer Agents viz. Adroit Corporate Services Private Limited ("R&T Agents") at 19, Jafferbhoy Industrial Estate, Makwana Road, Marol Naka, Andheri (E), Mumbai – 400 059 and/or such other place(s) within the city of Mumbai where R&T Agents may shift its office from time to time and/or at the Registered office of the Company at 507, Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (W), Mumbai – 400 053."

**By Order of Board of Directors**

**Rupa Modi**  
**Executive Director**

**Place: Mumbai**  
**Date: July 27, 2012**

**Notes:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. THE INSTRUMENT APPOINTING A PROXY MUST BE DEPOSITED WITH THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.
3. Members are requested to notify immediately the change, if any, of the address registered with the Company.
4. The Register of Members and the Share Transfer Books of the company will be closed from 26.09.2012 to 28.09.2012 (both days inclusive).
5. Members holding shares in electronic form may please note that as per the regulation of National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd. (CDSL), the Company is obliged to print the bank details on the dividend warrants as furnished by these Depositories to the Company and the Company cannot entertain any request for deviation/ change of bank details already printed on dividend warrants as per information received from the Concerned Depositories. **In this regards members should contact their Depository Participants (DP) and furnish particulars of any changes desired by them.**

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## **ANNEXURE TO THE NOTICE**

### **EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**

#### **Item No. 5 :**

The Ministry of Corporate Affairs ("MCA"), Government of India, New Delhi vide General Circulars No.27/2011 and 28/2011 dated 20th May, 2011 and Circular No.35/2011 dated 6th June, 2011 has permitted companies to hold Board Meetings and Shareholders Meetings through Video Conference facility, as part of the Green Initiatives under Corporate Governance. Further, MCA vide Circular No. 72/2011 dated 27th December, 2011 made the Video Conference facility at the Shareholders Meetings optional to the listed companies.

Section 53 of the Companies Act, 1956 and Articles of Association of the Company provides for modes of service of documents on a Member of the Company. The MCA has vide Circular No. 17/2011 dated 21<sup>st</sup> April, 2011 stated that a company would have complied with section 53 if the service of a document has been made through electronic mode, provided the Company has obtained e-mail addresses of its Members for sending Notices/ Documents through e-mail by giving an advance opportunity to every Shareholder to register their e-mail addresses with the Company. Clause 32 of the Listing Agreement of the Stock Exchanges also permits a company to send soft copies of full Annual Reports, Balance Sheet, Statement of Profit and Loss and Directors' Report to all Shareholders who have registered their e-mail addresses for the purpose.

It is proposed to carry out necessary amendments in the existing Articles of Association of the Company by inserting appropriate enabling provisions as set out in the Special Resolution under Item No.6 to give effect to the above Circulars of MCA.

In terms of section 31 of the Companies Act, 1956, approval of the Members by way of a Special Resolution is required to amend the Articles of Association of the Company. A copy of the existing Memorandum and Articles of Association of the Company alongwith the proposed draft amendments to the Articles of Association is available for inspection by any Member at the Registered Office of the Company between 10.00 a.m. and 12.00 noon on all working days (except Saturdays, Sundays and Public Holidays).

The Directors recommend the passing of the Resolution at Item No. 5 as a Special Resolution.

None of the Directors of the Company is, in any way, concerned or interested in this item of business.

#### **Item No. 6:**

As per Section 163(1) of the Companies Act, 1956, approval of Members is required to keep Company's Registers and copies of Annual Returns prepared under section 159 of the Companies Act, 1956 together with copies of certificates and documents required to be annexed thereto under Section 161 of the Companies Act, 1956 (hereinafter collectively referred to as "the aforesaid Records") at a place other than the Registered Office of the Company. Accordingly, the approval of the Members is sought by a Special Resolution for any one or more of aforesaid Records to be kept at the aforesaid Premises of the R&T Agents and/or at such other place(s) within the city of Mumbai where the R&T Agents may shift its office from time to time and/or at the Registered Office of the Company at 507, Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (W), Mumbai – 400 053.

The Directors recommend the passing of the Resolution at Item No. 6 as a Special Resolution.

None of the Directors of the Company is, in any way, concerned or interested in this Item of Business.

#### **By Order of Board of Directors**

**Rupa Modi**  
**Executive Director**

**Place: Mumbai**  
**Date: July 27, 2012**

## NETLINK SOLUTIONS (INDIA) LIMITED

### DIRECTORS' REPORT

Dear Members,

Your Directors have the pleasure in presenting their 27<sup>th</sup> Report together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2012.

#### Financial Performance:

	2011-12 Rs.	2010-11 Rs.
Total Income	8197332	5998970
Profit Before Depreciation and Tax	2243715	819192
Less: Deprecation	(1050855)	(503012)
Less: Provision for Tax and F.B.T. Incl. Deferred Tax Liability	111639	(73616)
<b>Net Profit after Tax</b>	<b>1304499</b>	242564
Less :Short Provision for Tax	-	-
Balance Brought Forward	-	-
<b>Amount available for Appropriation</b>	<b>1304499</b>	242564
Proposed Dividend	-	-
Tax on Dividend	-	-
Transfer to General Reserve	-	-
Surplus Carried Forward	1304499	242564
Total Appropriation	1304499	242564

#### OVERVIEW

During the year the total Income of the Company has been Rs. **81.97 Lacs** as compared to previous year total of Rs. **59.99 Lacs**. Our company has made Profit amounting to **Rs 13.04 Lacs** after tax. This has been a good year for the Company, with judicious growth, constantly evolving, and on the way creating and adding value. The main thrust of the management is on consolidating growth, and with an aim to sustain the growth.

Aditya Infotech is one of the leading Search Engine Marketing companies. The management is striving to make the Company technologically sound.

The portal [www.easy2source.com](http://www.easy2source.com) caters to one of the largest readerships online. The portal has generated good response and we are optimistic of good response from the market.

In the magazine division 'Gifts and Accessories' is doing well. It has strengthened its position as the only B2B Trade Magazine in India based on Corporate Gifts and Stationary. The name of the magazine is well known to most manufacturers, suppliers, and corporate sectors pan India.

Taking into consideration the current market scenario and pitfalls of the stock market scenario, the Treasury Management & Administration Division has decided to be cautious with the investments of the company. A conservative approach will be maintained. These changes shall help in sustaining the company's development.

## **NETLINK SOLUTIONS (INDIA) LIMITED**

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In order to conserve resources and inadequacy of profits your directors are unable to recommend any dividend for the year under review.

### **DIRECTORS**

In accordance with the Articles of Association of the Company, Mrs. Rupa Modi and Mr. Yogesh Girnara, Directors of the Company retire by rotation and being eligible offer themselves for re-appointment. Directors commend their re-appointment.

### **DEPOSITS**

The Company has not accepted any deposits and as such no amount of principal or interest was outstanding on the date of balance sheet.

### **AUDITORS**

M/s. K U Kothari & Co., Chartered Accountants, Mumbai, retire at the conclusion of the ensuing Annual General Meeting of the Company. The Company has received a letter showing their willingness to act as the auditor of the Company if re-appointed by the members of the Company and have forwarded the eligibility certificate u/s 224 (1B) of the Companies Act 1956. Members are requested to consider the appointment of M/s. K U Kothari & Co., Chartered Accountants at the forthcoming Annual General Meeting of the Company.

### **LISTING**

The shares of the Company are listed on the Bombay Stock Exchange Limited. The Company is regular in complying with the provisions of the Listing Agreement entered into with the Stock Exchange.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE**

The particulars prescribed under clause (e) of sub-Section (1) of Section 217 of the Companies Act, 1956, read with the companies (Disclosure of particulars in Report of Board of Directors) Rule, 1988 are as follows:

#### **Conservation of Energy**

The company is not a manufacturing company and hence the details in respect of the above are not applicable.

#### **Research and Development**

The company has not undertaken any Research and Development activity in any specific area during the year under review, and hence no cost has been incurred towards same.

<b>Technology Absorption</b>	<b>: Nil</b>
<b>Foreign Exchange Earning</b>	<b>: Rs. 855028</b>
<b>Foreign Exchange Outgo</b>	<b>: Rs. 500602</b>

### **DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to the provisions under Section 217 (2AA) of the Companies Act, 1956, Directors confirm that:-

- a) in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;

## **NETLINK SOLUTIONS (INDIA) LIMITED**

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

### **EMPLOYEES**

During the year the company has not employed any person, which required disclosure under section 217 (2A) of the Companies Act, 1956 to be read with the Companies Particulars of Employees Rules, 1975, as amended.

### **ACKNOWLEDGEMENT**

Your Directors hereby place on record their appreciation and co-operation and support received from all the customers, vendors, banks and share transfer agent and thank them for their valuable contribution in the growth of the company.

Your directors thank all the shareholders of the company for their continued support.

Your directors also thank all the government agencies, The Software Technology Parks of India, Bombay Stock Exchange Limited, SEBI, The Registrar of Companies, Mumbai for their support during the year and look forward to their continued support in future.

**For and on behalf of the Board of Directors**

**Minesh Modi**  
WholeTime Director

**Rupa Modi**  
Executive Director

**Place : Mumbai**  
**Dated : July 27, 2012**

# NETLINK SOLUTIONS (INDIA) LIMITED

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## M SIROYA AND COMPANY

### Company Secretaries

C-1, First Floor, Everest Building, Opp. BMC School, Dattapada Road, Borivali (E), Mumbai – 400 066  
**Telefax:**+91 22 28706523; **Mobile:** 93243 10151; **E-mail:**siroyam@gmail.com

### SECRETARIAL COMPLIANCE CERTIFICATE

Registration No. of the Company: 11 -034789

**Authorised Share Capital: Rs. 100,000,000/-**

**Paid-up Share Capital: Rs. 2,96,70,000/-**

To,

The Members

**Netlink Solutions (India) Limited**

507, Laxmi Plaza, Laxmi Industrial Estate,  
Off New Link Road, Mumbai - 400 053

We have examined the registers, books and papers of **M/s. Netlink Solutions (India) Limited** (the Company) as required to be maintained under The Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum & Articles of Association of the Company for the financial year ended **31<sup>st</sup> March, 2012**. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year: -

1. the Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions and rules made there under and all entries therein have been duly recorded.
2. the Company has duly filed the forms and returns as stated in **Annexure 'B'** to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. the Company being a public limited Company, has a paid-up Capital of Rs. 2,96,70,000/-.
4. the Board of Directors duly met 6 times on 3<sup>rd</sup> May, 2011, 29<sup>th</sup> July, 2011, 31<sup>st</sup> August, 2011, 2<sup>nd</sup> September, 2011, 31<sup>st</sup> October, 2011 and 31<sup>st</sup> January, 2012 in respect of which meetings proper notices were given and signed in the minutes book maintained for the purpose.
5. the Company had closed its Register of Members from 27<sup>th</sup> September, 2011 to 30<sup>th</sup> September, 2011 (Both days inclusive) in order to comply with the provisions of Section 154 of the Act.
6. the Annual General Meeting for the financial year ended on 31.03.2011 was held on 30.09.2011 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the minutes book maintained for the purpose.
7. no extra-ordinary general meeting was held during the year.
8. the Company has not advanced any loans or given any guarantees or provided any securities to its directors or persons or firms or Companies referred to under Section 295 of the Act.
9. the Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. the Company has made necessary entries, wherever required, in the register maintained under Section 301 of the Act
11. as there were no instances during the year falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. the Company has not issued duplicate share certificates during the financial year.
13. the Company has: -
  - i) Delivered all the certificates on lodgment thereof for transfer in accordance with the provisions of the Act.
  - ii) Has not declared dividend during the year.
  - iii) Has not paid any interim dividend during the year.
  - iv) The Company is yet to transfer the unpaid amount of dividend lying in an account of the Company for the year 2003-04, date of AGM 30.08.2004, which have remained unclaimed or unpaid for a period of



## **NETLINK SOLUTIONS (INDIA) LIMITED**

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seven years and overdue for transfer to Investor Education and Protection Fund. As per our verification, the Company had attempted to transfer the amount of Rs. 1139 twice in the months of November and December 2011 vide SRN B24833899 dated 15.11.2011 and B26660415 dated 08.12.2011. However, due to difference of 25 paisa and technical issues, the Company could not transfer the amounts in the Investor Education and Protection Fund Account. The management has assured us that they will transfer the same at their earliest.

- v) Duly complied with the requirements of Section 217 of the Act.
14. the Board of Directors of the Company is duly constituted and no additional director(s), alternate director(s) or director(s) to fill the casual vacancy were appointed during the year.
  15. the Company has not appointed any Managing Director / Whole Time Director / Manager during the financial year.
  16. the Company has not appointed any sole-selling agents during the financial year.
  17. the Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such authorities prescribed under the various provisions of the Act during the financial year as stated otherwise.
  18. the Directors have disclosed their interest in other firms, Companies to the Board of Directors pursuant to the provisions of the Act and rules made there under.
  19. the Company has not allotted any Shares/debentures or other securities during the financial year.
  20. the Company has not bought back any Shares during the financial year.
  21. there was no redemption of preference shares or debentures outstanding during the financial year.
  22. there were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
  23. the Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
  24. the Company has not borrowed any amount from Banks or financial institutions during the financial year ended 31<sup>st</sup> March, 2012 under the provisions of Section 293 (1) (d) of the Act.
  25. the Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
  26. the Company has not altered the provisions of the Memorandum with respect to the situation of the Company's registered office from one state to another during the year under scrutiny.
  27. the Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
  28. the Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
  29. the Company has altered the provisions of the Memorandum with respect to increase in Authorised share capital of the Company from Rs. 3 Crore to Rs. 10 Crore for the year under scrutiny and complied with provisions of the Companies Act.
  30. the Company has altered its Articles of Association during the financial year and complied with provisions of the Companies Act.
  31. as informed to us, there was no prosecution initiated against the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year for offence under the Act.
  32. the Company has not received any money as security from its employees during the financial year.
  33. the Company is regular in depositing both the employees' and employer's contribution to Provident Fund with the prescribed authorities pursuant to Section 418 of the Act.

**For M Siroya and Company  
Company Secretaries**

**Mukesh Siroya  
Proprietor  
CP No.: 4157**

**Place : Mumbai  
Date: July 27, 2012**

# NETLINK SOLUTIONS (INDIA) LIMITED

## Annexure A – Secretarial Compliance Certificate

Name of the Company : Netlink Solutions (India) Limited  
Registration Number : 11 - 034789

Registers as maintained by the Company

### Statutory Register

Sr. No.	Under Section	Name of Register
1	143	Register of Charges
2	150	Register of Members
3	193	Minutes of all meetings of Board of Directors
4	193(1)	Minutes of General Body Meetings
5	209	Books of Accounts
6	301	Register of Particulars of Contracts in which Directors are interested
7	303	Register of Directors
8	307	Register of Directors' Shareholding

### Other Registers

1	-	Board Meeting Attendance Register
2	-	General Meeting Attendance Register
3	-	Share Transfer Register

## Annexure B - Secretarial Compliance Certificate

Returns / Documents / Forms filed with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended March 31<sup>st</sup>, 2012.

### FOR THE YEAR 2011-2012 (01.04.2011 TO 31.03.2012)

Sl. No.	Form No.	Relevant Section	Description	Date of Filing	Whether filed within prescribed time Yes / No	If delay in filing, whether requisite additional fee paid Yes / No
1	66	383A	Compliance Certificate as on 31.03.2011 filed Vide SRN No. P76637743	29.10.2011	Yes	NA
2	20B	159(1)	Annual Return (Schedule V) made up to 30.09.2011 filed vide SRN No. P78964681	12.11.2011	Yes	NA
3	23AC & 23ACA	220(1)	Balance Sheet and Profit & Loss Account XBRL as on 31.03.2011 filed Vide SRN No. P84282649	31.12.2011	Yes	NA
4	23	192	Registration of Special Resolution for Alteration of Article No. 2, 34A (Capitalisation of Profits) and removal of Article 34A(4) of AOA of the Company.	28.02.2012	No	Yes
5	5	94	Notice of Increase in Authorised Share Capital of the Company from Rs. 3 Crore to Rs. 10 Crore.	28.02.2012	No	Yes

# **NETLINK SOLUTIONS (INDIA) LIMITED**

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## **AUDITOR'S REPORT**

### **TO THE MEMBERS OF NETLINK SOLUTIONS (INDIA) LIMITED**

We have audited the attached Balance Sheet of **NETLINK SOLUTIONS (INDIA) LIMITED** (formerly Known as VGR Construction Ltd.) as at 31<sup>st</sup> March 2012, the annexed Profit & Loss Account for the year ended on that date and the Cash Flow Statement for the year ended on that date, which we have signed under reference to this Report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan & perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes, examining on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraph 4 & 5 of the said Order, to the extent applicable.

Further to our comments in the Annexure referred to above, we report that;

- a) We have obtained all the information and explanation, which to the best of our knowledge and the belief were necessary for the purpose of our audit.
- b) In our opinion, proper books of accounts, as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
- d) In our opinion the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, to the extent applicable.
- e) On the basis of written representations received from the directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Notes thereon gives the information required by the Companies Act, 1956 in the manner, so required and give a true & fair view in conformity with the accounting principles generally accepted in India:
  - I. In the case of Balance Sheet, of the state of the affairs of the Company as at 31<sup>st</sup> March 2012;
  - II. In the case of Profit & Loss Account, of the Profit for the year ended on that date; and
  - III. In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date;

**For K. U. KOTHARI & CO.  
Chartered Accountant**

**Place : Mumbai  
Dated : 25.05.2012**

**Prakash Chechani  
(Partner)**

## **NETLINK SOLUTIONS (INDIA) LIMITED**

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Annexure referred to the Auditor's Report to the Shareholders of **NETLINK SOLUTIONS (INDIA) LIMITED** on the accounts for the year ended 31<sup>st</sup> March, 2012.

1. 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 fixed assets were physically verified by the management during the year in accordance with a program of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
  - (c) The company has not disposed off substantial parts of fixed assets during the year.
2.
  - (a) The physical verification of the inventory has been conducted at reasonable intervals by the management.
  - (b) The procedures of physical verification of inventory followed by the management are reasonable & adequate in relation to the size of the company & the nature of its business.
  - (c) The company is maintaining proper records of inventory & no material discrepancies were noticed on physical verification.
3. The company has neither granted nor taken any loans, secured or unsecured, to or from the companies, firms or other parties covered in the register maintained under section 301 the Companies Act, 1956:-
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of Computer Hardware and Software, Consumables, Plant & Machinery, Equipment and other assets. The activities of the company do not involve sale of goods.
5. In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act, 1956.
  - (a) To the best of our knowledge and belief and according to the information and explanation given to us, transactions that needed to be entered into register have been so entered.
  - (b) In our opinion and according to the information and explanation given to us, in respect of transactions made in pursuance of the contracts or arrangements entered in the register maintained in pursuance of section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5 lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public to which the provisions of Section 58 (A) and 58(AA) of the Companies Act, 1956 and the rules made there under would apply.
7. In our opinion the company has an adequate internal audit system commensurate with the size and nature of its business.
8. We are informed that Central Government has not prescribed maintenance of cost records under Section 209(1) (d) of the companies Act, 1956 for any of the activities of the company.
9. Statutory and other dues :
  - (a) According to the records, information & explanation given to us, undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income-tax, sales tax,

## **NETLINK SOLUTIONS (INDIA) LIMITED**

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wealth-tax, service-tax, custom duty, excise duty, cess and other material statutory dues, wherever applicable, have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amount payable in respect of aforesaid dues were outstanding as at the end of the year for a period of more than six months from the date becoming payable.

- (b) According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Service Tax, Excise duty and Cess outstanding on account of dispute.
10. The Company is not having any accumulated losses at the end of the financial Year. The company has not incurred cash losses in the said financial year and in the financial year immediately preceding the said financial year;
  11. Based on our audit procedure and in the information & explanation given to us we are of the opinion that the company has not defaulted in repayment of dues to financial institutions and banks. The company has no debenture holders.
  12. In our opinion and according to the information & explanation given to us, no Loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
  13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
  14. In our opinion, the company has maintained proper records of the transactions and contracts relating to dealing in shares and other investments and timely entries have been made there in. Further the company in its own name has held such securities.
  15. The company has not given any guarantee for loans taken by others from banks or financial institutions.
  16. The Company has not taken any loan during the year.
  17. According to the information and explanation given to us and on an overall examination of the balance sheet of the Company, the company has not used the funds borrowed on short term basis for long-term investment and vice versa.
  18. During the year Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
  19. The Company has not issue any debentures during the years, nor did it have any outstanding debentures at the beginning of the year.
  20. The Company has not raised any money through a public issue during the year.
  21. In our opinion and according to the information and explanation given to us no fraud on or by the company has been noticed or reported during the year that caused the financial statement to be materially misstated.

**For K. U. KOTHARI & CO.  
Chartered Accountant**

**Place : Mumbai  
Dated : 25.05.2012**

**Prakash Chechani  
(Partner)**

# NETLINK SOLUTIONS (INDIA) LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2012

(Rs.)

Particulars	Note No.		AS AT 31.03.2012	AS AT 31.03.2011
<b>I. EQUITY AND LIABILITIES</b>				
<b>(1) Shareholder's Funds</b>				
(a) Share Capital	1	29,670,000	29,670,000	
(b) Reserves and Surplus	2	46,575,959	76,245,959	45,271,460
				74,941,460
<b>(2) Share application money pending allotment</b>				
			-	-
<b>(3) Non-Current Liabilities</b>				
(a) Long-term borrowings		-	-	
(b) Deferred tax liabilities (Net)	3	39,647		162,381
(c) Other Long term liabilities		-	-	
(d) Long term provisions		-	39,647	-
				162,381
<b>(4) Current Liabilities</b>				
(a) Short-term borrowings		-	-	
(b) Trade payables	4	1,583		29,865
(c) Other current liabilities	5	2,497,258		255,153
(d) Short-term provisions	6	15,200	2,514,041	755,072
				1,040,090
<b>Total</b>			<u>78,799,647</u>	<u>76,143,931</u>
<b>II. Assets</b>				
<b>(1) Non-current assets</b>				
(a) Fixed assets				
(i) Tangible assets	7	3,003,162		3,510,252
(ii) Intangible assets		-		-
(iii) Capital work-in-progress		-		-
(iv) Intangible assets under development		-	3,003,162	-
				3,510,252
(b) Non-current investments	8	67,571,510		40,624,602
(c) Deferred tax assets (net)		-		-
(d) Long term loans and advances		-		-
(e) Other non-current assets	9	4,033,234	71,604,744	29,058,999
				69,683,601
<b>(2) Current assets</b>				
(a) Current investments		-		-
(b) Inventories		-		-
(c) Trade receivables	10	779,084		621,222
(d) Cash and cash equivalents	11	3,081,122		875,133
(e) Short-term loans and advances		-		-
(f) Other current assets	12	331,535	4,191,741	1,453,723
				2,950,078
<b>Total</b>			<u>78,799,647</u>	<u>76,143,931</u>
<b>Significant Accounting Policies &amp; Notes on Financial Statements</b>				
	1 & 1 to 18			

As per our report of even date  
For **K. U. Kothari & Co.**  
Chartered Accountants

Prakash Chechani  
(Partner)  
FIRM REG. NO. : 105310W  
Place : Mumbai  
Date : 25/05/2012

For and on Behalf of the Board of Directors

**Minesh Modi**  
(Whole Time Director)

**Rupa M. Modi**  
(Executive Director)

## NETLINK SOLUTIONS (INDIA) LIMITED

### PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

(Rs.)

Particulars	Note No.	AS AT 31.03.2012	AS AT 31.03.2011
I. Revenue from operations	13	6,460,290	5,749,957
II. Other Income	14	1,737,042	249,013
<b>Total Revenue</b>		<b>8,197,332</b>	<b>5,998,970</b>
IV. Expenses:			
Cost of materials consumed	15	705,712	567,865
Purchase of Stock-in-Trade		-	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		-	-
Employee benefit expense	16	2,575,998	2,551,879
Financial costs		-	-
Depreciation and amortization expense	17	1,050,855	503,012
Other expenses	18	2,671,907	2,060,034
<b>Total Expenses</b>		<b>7,004,472</b>	<b>5,682,790</b>
V. Profit before exceptional and extraordinary items and tax		1,192,860	316,180
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax		1,192,860	316,180
VIII. Extraordinary Items		-	-
IX. Profit before tax		<b>1,192,860</b>	<b>316,180</b>
X. Tax expense:			
(1) Current tax		11,095	22,891
(2) Deferred tax		(122,734)	50,725
XI. Profit (Loss) from the period from continuing operations		<b>1,304,499</b>	<b>242,564</b>
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV. Profit/(Loss) for the period		<b>1,304,499</b>	<b>242,564</b>
XVI. Earning per equity share:			
(1) Basic		0.04	0.01
(2) Diluted		0.04	0.01
<b>Significant Accounting Policies &amp; Notes on Financial Statements</b>	1 & 1 to 18		

As per our report of even date  
For **K. U. Kothari & Co.**  
Chartered Accountants

Prakash Chechani  
(Partner)  
FIRM REG. NO. : 105310W  
Place : Mumbai  
Date : 25/05/2012

For and on Behalf of the Board of Directors

**Minesh Modi**  
(Whole Time Director)

**Rupa M. Modi**  
(Executive Director)

## NETLINK SOLUTIONS (INDIA) LIMITED

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

(Rs.)

Particulars	YEAR ENDED	
	31.03.2012	31.03.2011
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and Extraordinary Items	1,192,860	316,180
<b>Adjustments for :</b>		
Profit on sale of Investments	(1,367,036)	11,109
Amortisation of Expenses	543,765	25,772
Depreciation	507,090	477,240
Dividend & Interest Received	(370,006)	(260,122)
<b>Operating Profit before working capital changes</b>	<b>506,673</b>	<b>570,179</b>
Adjustments for :		
Trade & other Receivables	24,846,624	(377,857)
Trade payables & Other liabilities	2,211,742	180,242
<b>Cash generated from operations</b>	<b>27,565,039</b>	<b>372,564</b>
Direct taxes paid	(368,816)	55,142
<b>Cash flow before extraordinary items</b>	<b>27,933,854</b>	<b>317,422</b>
Excess provision for earlier years	-	-
<b>NET CASH (USED IN) / FROM OPERATING ACTIVITIES</b>	<b>27,933,854</b>	<b>317,422</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Addition to Fixed Assets(net)	-	(217,800)
Preliminary expenses	(518,000)	-
Dividend & Interest Received	370,006	260,122
Purchase of Investments (Net)	(25,579,872)	(3,541)
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(25,727,866)</b>	<b>45,863</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Share Capital (net of issue expenses)	-	-
Dividend paid	-	-
Tax on Dividend Paid	-	-
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>2,205,989</b>	<b>363,285</b>
Cash & Cash equivalents - Opening Balance	875,133	511,848
Cash & Cash equivalents - Closing Balance	3,081,122	875,133
<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>2,205,989</b>	<b>363,285</b>
This is the Cash Flow referred to in our report of even date		

For **K. U. Kothari & Co.**  
Chartered Accountants

Prakash Chechani  
(Partner)  
FIRM REG. NO. : 105310W  
Place : Mumbai  
Date : 25/05/2012

For and on Behalf of the Board of Directors

**Minesh Modi**  
(Whole Time Director)

**Rupa M. Modi**  
(Executive Director)



## NETLINK SOLUTIONS (INDIA) LIMITED

### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

		(Rs.)	
		AS AT 31.03.2012	AS AT 31.03.2011
<b>1</b>	<b>SHARE CAPITAL</b>		
	<b>AUTHORISED SHARE CAPITAL</b>		
	10,00,00,000 (3,00,00,000) Equity Shares of Re. 1/- each *	10,00,00,000	30,000,000
		<u>10,00,00,000</u>	<u>30,000,000</u>
	*During the year company increased the Authorised Share Capital from 3 crore to 10 crore.		
	<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
	2,96,70,000 Equity Shares of Re.1/- each fully paid up	29,670,000	29,670,000
		<u>29,670,000</u>	<u>29,670,000</u>

**Additional information :**

- a) Terms/rights attached to equity Shares :  
The Company has only one class of Share capital i.e. equity shares having face value of Rs 1/ per share Each holder of equity shares is entitled to one vote per share.
- b) Shareholders holding more than 5% of equity shares as at the end of the year:

Name of the shareholders	As at 31-03-2012		As at 31-03-2011	
	Number of Shares	Shareholding %	Number of Shares	Shareholding %
AUM SECURITIES PRIVATE LIMITED	1577860	5.32	1577860	5.32
MINESH V MODI	8046581	27.12	8046581	27.12
RUPA M MODI	6379540	21.5	6379540	21.5

		(Rs.)	
		AS AT 31.03.2012	AS AT 31.03.2011
<b>2</b>	<b>RESERVES &amp; SURPLUS</b>		
	<b>General Reserve</b>		
	As per last year balance sheet	1,179,808	1,179,808
	Add: Transferred during the year	<u>-</u> 1,179,808	<u>-</u> 1,179,808
	<b>Profit and Loss Account- Balance</b>		
	As per last year balance sheet	44,091,652	43,849,088
	Add: Profit / (Loss) During the year	<u>1,304,499</u> 45,396,151	<u>242,564</u> 44,091,652
		<u>46,575,959</u>	<u>45,271,460</u>

## NETLINK SOLUTIONS (INDIA) LIMITED

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### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	AS AT 31.03.2012	(Rs.) AS AT 31.03.2011
<b>3 DEFFERED TAX LAIBILITY (NET)</b>		
RELATED TO FIXED ASSETS	167,697	162,381
RELATED TO PRELIMINARY	(128,050)	-
	<u>39,647</u>	<u>162,381</u>
<b>4 TRADE PAYABLE</b>		
TRADE CREDITORS	1,583	29,865
	<u>1,583</u>	<u>29,865</u>
<b>5 OTHER CURRENT LIABILITIES</b>		
CREDITORS FOR EXPENSES & OTHER PAYABLE	268,358	218,663
CREDITORS FOR CAPITAL EXPENDITURE	2,228,900	-
ADVANCE FROM CUSTOMERS	-	36,490
	<u>2,497,258</u>	<u>255,153</u>
<b>6 SHORT TERM PROVISIONS</b>		
Other Provisions	4,089	6,170
Provision For Income Tax	11,111	748,902
	<u>15,200</u>	<u>755,072</u>

## NETLINK SOLUTIONS (INDIA) LIMITED

### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

(Rs)

Name of Asset	Gross Block			Depreciation			Net Block	
	As on 01.04.11	Additions During Year	Deletions During Year	As on 31.03.12	For the Year	Deletions During Year	As on 31.03.12	As at 31.03.11
Computers	944,017	-	-	944,017	131,714	-	216,732	348,446
Office Equipments	30,550	-	-	30,550	1,451	-	21,569	23,020
Air conditioner	258,504	-	-	258,504	12,279	-	175,984	188,263
Furniture & Fixtures	293,594	-	-	293,594	18,585	-	134,362	152,947
Motor Car	3,611,170	-	-	3,611,170	343,061	-	2,454,515	2,797,576
<b>TOTAL</b>	<b>5,137,835</b>	<b>-</b>	<b>-</b>	<b>5,137,835</b>	<b>507,090</b>	<b>-</b>	<b>3,003,162</b>	<b>3,510,252</b>
Previous Year	4,920,035	217,800	-	1,150,343	477,240	-	3,510,252	3,769,692

## NETLINK SOLUTIONS (INDIA) LIMITED

### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

#### 8 NON CURRENT INVESTMENTS

##### A Traded Non Current Investments (Quoted & Fully paid Equity Shares) at Cost

Name of the Company	As at 31.03.12 Quantity	As at 31.03.12 Rs.	As at 31.03.11 Quantity	As at 31.03.11 Rs.
ANANT RAJ LTD	2,000	149,149	2,000	149,149
BHARATI AIRTEL LTD	-	-	4,800	1,996,359
CENTRAL BANK OF INDIA LTD	7,900	1,240,931	4,900	931,931
CENTURY INKA LTD	19,949	2,989,167	15,000	2,445,944
DECCAN CHRONICLE HOLDINGS LTD	8,000	664,664	8,000	664,664
GANESH HOUSING CORPORATION LTD	3,000	460,445	2,000	330,330
HINDUSTAN PETROLEUM LTD	2,000	706,424	1,000	343,061
HDFC WARRANT LTD	14,800	1,862,313	-	-
IFCI LTD	-	-	65,000	2,865,294
INOX LEISURE LTD	-	-	18,000	1,490,853
MAHINDRA LIFESPACE DEVELOPERS LTD	1,000	375,364	-	-
POWER TRDG CORP LTD	34,000	2,745,144	27,000	2,204,815
PRESTIGE ESTATE PROJECTS LTD	2,150	326,743	-	-
RELIANCE CAPITAL LTD.	1,500	2,616,187	1,500	2,616,188
SANGHVI MOVERS LTD	10,000	1,363,571	2,669	482,127
SATYAM COMPUTER LTD	16,000	1,603,887	16,000	1,603,887
<b>Total Traded Investments (A)</b>	<b>122,299</b>	<b>17,103,990</b>	<b>167,869</b>	<b>18,124,602</b>
Market Value of Traded quoted investments Rs 1,11,49,796/ (Previous Year Rs 1,53,03,231)				
<b>B Other Investments</b>				
Joint share in Trust (Business Excellence Trust)	-	24,375,000	-	22,500,000
Office Premises 302	-	7,752,440	-	-
Office Premises 304	-	6,421,450	-	-
Office Premises 404	-	6,985,140	-	-
Office Premises 405	-	4,933,490	-	-
<b>Total other Investments (B)</b>	<b>-</b>	<b>50,467,520</b>	<b>-</b>	<b>22,500,000</b>
<b>Total (A+B)</b>	<b>122,299</b>	<b>67,571,510</b>	<b>167,869</b>	<b>40,624,602</b>

## NETLINK SOLUTIONS (INDIA) LIMITED

### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	AS AT 31.03.2012	(Rs.) AS AT 31.03.2011
<b>9 OTHER NON CURRENT ASSETS</b>		
Lease Deposits	4,000,000	4,000,000
Other Deposits	33,234	33,234
Preliminary Expenses	-	25,765
Advance Agst Capital expenditure	-	25,000,000
	<b>4,033,234</b>	<b>29,058,999</b>

	AS AT 31.03.2012	(Rs.) AS AT 31.03.2011
<b>10 TRADE RECEIVABLES</b>		
Over six months	81,000	109,500
Others	698,084	779,084
	511,722	621,222
<b>Total</b>	<b>779,084</b>	<b>621,222</b>

	AS AT 31.03.2012	(Rs.) AS AT 31.03.2011
<b>11 CASH &amp; CASH EQUIVALENTS</b>		
Cash on Hand	15,019	27,357
<b>Bank balance with schedule Banks</b>		
On Current Account	700,151	784,638
On Deposit Account	2,365,951	63,138
<b>Total</b>	<b>3,081,122</b>	<b>875,133</b>

<b>12 OTHER CURRENT ASSETS</b>		
Advance Income Tax & Tds	312,877	1,430,579
Other Advances	18,658	23,144
<b>Total</b>	<b>331,535</b>	<b>1,453,723</b>

<b>13 REVENUE FROM OPERATIONS</b>		
Advertisement Income	4,877,115	4,211,759
Subscription Income	26,840	33,970
Website & Internet Promotion	1,556,334	1,504,228
<b>Total</b>	<b>6,460,290</b>	<b>5,749,957</b>

## NETLINK SOLUTIONS (INDIA) LIMITED

### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	AS AT 31.03.2012	(Rs.) AS AT 31.03.2011
<b>14 OTHER INCOME</b>		
Dividend from Current & Non Current investment	335,480	256,250
Interest on Current Investment	6,154	3,872
Others Interest	28,372	-
Joint Share of Beneficiary from business excellence Trust	3,186,141	-
<b>Net Gain &amp; Loss on Sale of Investment</b>		
From Long term Investment	(1,912,063)	(246,472)
From Current Investment	92,957	235,363
<b>Total</b>	<b>1,737,042</b>	<b>249,013</b>
<b>15 COST OF MATERIAL CONSUMED</b>		
Paper Consumption	691,868	567,865
Packing Material	13,844	-
<b>Total</b>	<b>705,712</b>	<b>567,865</b>
<b>16 EMPLOYEE BENEFIT EXPENSES</b>		
Salary	1,975,998	1,951,879
Directors Remuneration	600,000	600,000
<b>Total</b>	<b>2,575,998</b>	<b>2,551,879</b>
<b>17 DEPRECIATION AND AMORTIZATION EXPENSES</b>		
Depreciation	507,090	477,240
Preliminary Expenses Written Off	543,765	25,772
<b>Total</b>	<b>1,050,855</b>	<b>503,012</b>

## NETLINK SOLUTIONS (INDIA) LIMITED

### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	(Rs.)	
	AS AT 31.03.2012	AS AT 31.03.2011
<b>18 OTHER EXPENSES</b>		
Advertisement Expenses	59,553	88,983
Bank charges	4,036	3,094
Business Promotion Expense	17,600	-
Discount	7,000	-
Electricity Expenses	63,081	73,488
Insurance	33,054	44,503
Internet Expenses	25,801	18,816
Job Charges	639,965	591,204
Listing & Other Fees	92,699	80,454
Misc /Office Expense	38,216	37,626
Motor Car Expenses	50,648	90,384
Municipal Taxes & Society Charges	81,324	81,324
Payment to Auditors	60,113	59,011
Postage & Courier Expense	294,245	171,354
Printing & Stationery	56,281	49,377
Professional Fees	213,843	146,044
Repair & Maintenance	-	12,275
Service charges Paid	76,000	-
Share Dealing Expenses & Demate Charge	18,130	44,724
Share Of Tax (Beneficiary)	262,303	-
Staff welfare	17,379	21,357
Telephone Expense	40,760	56,800
Travelling & Conveyance Expenses	19,274	48,727
Website Expense	500,602	340,489
	<u>2,671,907</u>	<u>2,060,034</u>

## **NETLINK SOLUTIONS (INDIA) LIMITED**

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### **1) Significant Accounting Policies**

#### **a) Basis of Preparation of Financial Statements**

The financial statements are prepared on the historical cost convention basis in accordance with the generally accepted accounting principles and the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.

#### **b) Revenue Recognition**

Income and Expenditure are recognized and accounted on accrual basis.

#### **c) Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenue and expenses during the reporting period. Examples of such estimates include estimate of useful life of fixed assets. Actual result could differ from estimates.

#### **d) Investments**

Investments are valued at cost of acquisition which includes brokerage, fees and related costs. Investments are carried at lower of cost and quoted / fair value, computed category wise. There is no diminution in value of investments as the market value of investments is more than the cost price as on balance sheet date. However the investments are valued at cost. Profit on sale of investments are calculated on first in first out basis as per the Income Tax Act.

#### **e) Depreciation**

Depreciation is provided on Straight Line Method at the rates prescribed in the Companies Act, 1956.

#### **f) Foreign Currency**

Transaction in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currency are translated at the rates of exchange likely to be realised from the resultant gain or loss is recognised in the Profit and Loss account to sales account.

#### **g) Direct Taxes**

Provision for Current Tax is made and retained in the accounts on the basis of tax liability as per the applicable provisions of the Income Tax Act, 1961. Deferred tax for timing differences between tax profits and book profits is accounted for using the tax rates and laws that have been enacted or substantially enacted as of the Balance Sheet date.

h) The figures for the previous year have been regrouped, rearranged, wherever necessary, so as to make them comparable with those for the current year.

### **2) Contingent liabilities not provides for :**

Income tax demand & disputes pending before appellate authorities Rs. Nil (Previous Year Rs. Nil-)

3) The deferred tax liability has been accounted by using the tax rates announced in the Finance Bill, 2005 in accordance with Accounting Standard 22 issued by The Institute of Chartered accountant of India.

4) Related party disclosures (as identified by the Management) as required by Accounting Standard 18 are given below:

a) Names of related parties and description of relationship.

(i) Key Management Personnel & their relatives

- |                         |                     |
|-------------------------|---------------------|
| (1) Mr. Minessh V. Modi | Whole Time Director |
| (2) Ms. Rupa M. Modi    | Executive Director  |



## NETLINK SOLUTIONS (INDIA) LIMITED

- (ii) Relative of Key Management Personnel :- Nil
- (iii) Other related parties where common control exists
- (1) Aditya Fincap Private Limited.

b) Related party transactions

Nature of Transaction	Key Management Personnel Rs.	Relative of Key Management Personnel Rs.	Other related party with common control Rs.
Lease Deposit	40,00,000/- (P. Y. 40,00,000/-)	Nil (P. Y. Nil)	Nil (P. Y. Nil)
Director' Remuneration	6,00,000/- (P. Y. 6,00,000/-)	Nil (P. Y. Nil)	Nil (P. Y. Nil)

<b>5) Earning per share :</b>	2011-12 (Rs)	2010-11 (Rs)
Profit after tax (Numerator used for calculation)	1,304,499	242,564
Weighted Avg. No. of shares (Denominator used for calculation)	29,670,000	29,670,000
Basic & diluted earning per share	0.04	0.01

**6) Segment Reporting :**

- a) Information about Business Segment (for the year 2011-12) : (Rs. In lakhs)

Particulars	Software Development	Info Media	Treasury	Total
<b>REVENUE</b>				
Total Revenue	15.56	49.04	17.37	81.97
<b>RESULTS</b>				
Profit / (loss) before tax	(0.53)	21.44	14.55	35.46
Less: Unallocated Exp.				23.54
Total Profit before Tax				11.92
Provision for Tax				
Current				-
Deferred				(1.23)
Short provision for tax				0.11
Profit for the year After Tax				13.04
<b>OTHER INFORMATION</b>				
Capital Employed (Segment Asset-Segment Liabilities)	3.56	8.26	681.19	693.01
Unallocated				69.45
Total				762.46

## NETLINK SOLUTIONS (INDIA) LIMITED

### 6) Segment Reporting :

b) Information about Business Segments (for the year 2010-11) : (Rs. In lakhs)

Particulars	Software Development	Info Media	Treasury	Total
<b>REVENUE</b>				
Total Revenue	15.04	42.46	2.49	59.99
<b>RESULTS</b>				
Profit / (loss) before tax	0.58	19.27	2.04	21.89
Less: Unallocated Exp.				18.73
Total Profit before Tax				3.16
Provision for Tax				
Current				0.11
Deferred				0.51
Short provision for tax				0.12
Profit for the year After Tax				2.42
<b>OTHER INFORMATION</b>				
Capital Employed (Segment Asset-Segment Liabilities)	3.58	6.19	412.88	422.65
Unallocated				326.51
Total				749.16

Geographical Segment :

The company operates in a single Geographical Segment, as all the establishments of the company are located in India only.

7) Additional Information pursuant to para 3, and 4D of part II or Schedule VI the Companies Act 1956 :

(i) Quantitative Details :	Current Year		Previous Year	
	Qty	Rs.	Qty	Rs.
<b>Finished Goods (Magazines)</b>				
Manufactured				
Magazines & Show Directory	22000	-	18000	-
Sale				
Magazines & Show Directory (Sale qty includes magazine distributed free of cost)	22000	26840	18000	33970
<b>(ii) Consumption of Raw materials (all Indigenous) Paper</b>				
ART Card (Magazine)	7200 (Sheet)	54541	5550 (Sheet)	41197
Art Paper (Magazine)	379 (Rms)	637327	309 (Rms)	526668
Total (For Magazine)		<b>691868</b>		<b>567865</b>

## **NETLINK SOLUTIONS (INDIA) LIMITED**

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**8) Earning in foreign Exchange :**

	2011-12 (Rs)	2010-11 (Rs)
Website & Internet Promotion	528814	306538
Advertisement Income	326214	380571

**9) Expenditure in foreign Exchange :**

Website & internet Exp.	500602	340489
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10) None of the directors and/or employees are receiving salary either for part of the year or for the full year in excess of limit prescribed u/s. 217 (2A) of the Companies Act.

Rupa Modi	Executive Director	600,000
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**11) Auditors Remuneration includes :**

	2011-12	2010-11
Statutory Audit Fees	36000	36000
Tax Audit Fees	12000	12000
Tax Matters	5500	5,500
Service Tax	6613	5511
	<u>60113</u>	<u>59011</u>

## NETLINK SOLUTIONS (INDIA) LIMITED

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### 11) Additional information as required under Part IV of Schedule VI of the Companies Act, 1956.

Balance Sheet abstract and Company's General Business Profile

#### I. Registration Details

Registration No.	34789
State Code	11
Balance Sheet Date	March 31,2012

#### II. Capital raised during the year

Public Issue	-
Rights Issue	-
Bonus Issue	-
Private Placement	-

#### III. Position of mobilisation and deployed of funds

Total Liabilities	78799647
Total Assets	78799647

#### A Sources of Funds

Paid -up Capital	29670000
Reserves & Surplus	46575959
Secured Loans	-
Unsecured Loans	-
Deferred Taxes	39647

#### B Application of Funds

Net Fixed Assets	3003162
Investment	67571510
Net Current Assets	1677700
Miscellaneous Expenditure	0
Accumulated Losses	-

#### IV. Performance of the Company

Total Income	8197332
Total Expenditure	7004472
Profit before tax	1192860
Profit after tax	1304499
Earning Per Share (Rs.)	0.04
Dividend Rate	-
Dividend, if any :	
On Preference Shares :	-
On Equity Shares :	-

#### V. Generic Names of Principal products

Computer Software Website  
designing & Infomedia.

Item code No. (ITC Code) :

-

For **K. U. Kothari & Co.**  
Chartered Accountants

For and on Behalf of the Board of Directors

Prakash Chechani  
(Partner)  
FIRM REG. NO. : 105310W

**Minesh Modi**  
(Whole Time Director)

Place : Mumbai  
Date : 25/05/2012

**Rupa M. Modi**  
(Executive Director)

## **NETLINK SOLUTIONS (INDIA) LIMITED**

Registered Office : 507, Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (W), Mumbai-400 053.

### **ATTENDANCE SLIP**

(Members attending the meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall)

I, hereby, record my presence at the 27<sup>th</sup> Annual General Meeting of the company to be held on Friday, the 28<sup>th</sup> September, 2012 at 507, Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (W), Mumbai – 400 053 at 9.30 a.m.

Folio No : \_\_\_\_\_ No. of shares held \_\_\_\_\_

Full name of the member / proxy : \_\_\_\_\_

\_\_\_\_\_  
Signature

———— Please cut here and bring the above attendance slip at the meeting ————

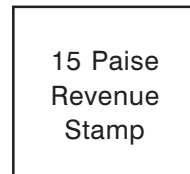
## **NETLINK SOLUTIONS (INDIA) LIMITED**

Registered Office : 507, Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (W), Mumbai-400 053.

### **PROXY FORM**

I / We \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ being a member/members of the above named company, hereby appoint \_\_\_\_\_ of or failing him \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ as my/our Proxy to vote for me/us on my/our behalf at the 27<sup>th</sup> Annual General Meeting of the company to be held on Friday, the 28<sup>th</sup> September, 2012 at 507, Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (W), Mumbai – 400 053 at 9.30 a.m.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012



Signature \_\_\_\_\_

Note : This form duly completed and signed should be deposited at the Registered Office of the company not later than 48 hours before the time of the meeting.



**NETLINK SOLUTIONS (INDIA) LIMITED**

**27<sup>th</sup> ANNUAL REPORT**

**2011-2012**



BOOK - POST

TO,

If undelivered, please return to:  
**NETLINK SOLUTIONS (INDIA) LIMITED**  
507, Laxmi Plaza, Laxmi Industrial Estate,  
New Link Road, Andheri (W),  
Mumbai – 400 053.