

15th
Annual Report
2009-2010

SAARC NET LIMITED

BOARD OF DIRECTORS

Mr. Govind Sharda	Director
Mr. Sagar Jain	Whole Time Director
Mr. Sunil Bhandari	Director
Mr. Ashok Ranjan Mishra	Director & Company Secretary

REGISTERED OFFICE

39, Sadhana Enclave, (1st Floor),
Panchsheel Park,
New Delhi-110017

AUDITORS

MANV & Associates
Chartered Accountants
New Delhi

BANKERS

Punjab National Bank

**STOCK EXCHANGES
WHERE SHARES ARE LISTED**

The Stock Exchange, Mumbai
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400001

REGISTRAR & SHARE TRANSFER AGENT

Bigshare Services Pvt. Ltd.
G-10, Left Wing,
Amrutha Ville Apartments,
Opp. Yashoda Hospital,
Raj Bhavan Road,
Hyderabad-500082

**COMPLIANCE OFFICER &
COMPANY SECRETARY**

Ashok Ranjan Mishra

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NOTICE

NOTICE is hereby given that the 15th Annual General Meeting of the Members of the "SAARC NET LIMITED" will be held on Thursday, the 30th September, 2010 at 10.30 AM at 39 Sadhana Enclave (2nd Floor) Panchsheel Park New Delhi 110017 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2010 and the Profit and Loss Account for the period ended 31st March, 2010 together with the Reports of the Directors and Auditors thereon.
2. To Appoint MANV & Associates Chartered Accountants New Delhi (Previously known as Jain Vijay & Associates) as Auditors of the company and fix their remuneration in consultation with directors
3. To reappoint Mr. Govind Sharda who was appointed as an additional director, in view of change in designation from managing director, liable to retire by rotation being eligible for reappointment as a director of the company.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED that Mr. Sunil Bhandari, in whose respect company has received a notice in writing from a member in terms of section 257 of the Companies Act 1956 proposing his candidature for the office of director, who was appointed as an Additional Director of the Company with effect from 14.07.2010 and holds office up to the date of ensuing Annual General Meeting of the Company, be and is hereby appointed as a Director of the Company, shall be liable to retire by rotation".

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

"RESOLVED that Mr. Sagar Jain, in whose respect company has received a notice in writing from a member in terms of section 257 of the Companies Act 1956 proposing his candidature for the office of director, who was appointed as an Additional Director of the Company with effect from 14.07.2010 and holds office up to the date of ensuing Annual General Meeting of the Company, be and is hereby appointed as a Director of the Company, shall be liable to retire by rotation".

6. Appointment of Whole Time Director Sagar Jain

"RESOLVED THAT pursuant to provisions of Section 269 read with Schedule XIII of the Companies Act, 1956 and subject to provisions of Sections 198, 309, 314 and other applicable provisions (if any) of the Companies Act, 1956 and further subject to approval of shareholders, sanction be and is hereby accorded for appointment of Mr. Sagar Jain as whole Time Director of the Company for a period of Five Years 5 (Five) year with effect from 31st August, 2010 and he will not rotational director on a remuneration will be as under:

a) Salary Basic	Rs 10,000/- PM
b) Conveyance on actual up to a limit of	Rs 1250/- PM
c) House Rent	Rs 3750 PM

"Resolved Further That board has the power to increase the salary of Whole Time Director with in the limits of Scheduled XIII Section II Part II of the Companies Act 1956"

By Order of the Board
For SAARC NET LIMITED

Place : Delhi
Date : 31-08-2010

A.R.Mishra
Director &
Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**ITEM NO: 4.**

Mr. Sunil Bhandari was appointed as an Additional Director of the Company in terms of provisions of section 260 of the Companies Act, 1956 at the meeting of the Board of Directors of the Company held on 14th July, 2010, who holds office up to the date of the ensuing Annual General Meeting of the Company. He is qualified as master of commerce with around 15 years experience in industry. The Company will be largely benefited by appointing Mr. Sunil Bhandari as director of the company.

Notice as required under Section 257 of the Companies Act, 1956 together with the requisite deposit has been received from a member proposing the candidature of Mr. Sunil Bhandari for his appointment as Director. The said notice and the Memorandum and Articles of Association of the Company are available for inspection at the Registered Office of the Company.

Therefore, your Directors recommend the resolution for your approval.

None of the Directors of the Company except Mr. Sunil Bhandari is concerned or interested in the aforesaid resolution.

ITEM NO: 5.

Mr. Sagar Jain was appointed as an Additional Director in pursuant to section 260 of the Companies Act 1956 at the meeting of the Board of Directors of the Company held on 14th July, 2010, who holds office up to the date of the ensuing Annual General Meeting of the Company. Mr. Sagar Jain has qualified his masters in Business Administration. The appointment of Mr. Sagar Jain will give added advantage to the company.

Notice as required under Section 257 of the Companies Act, 1956 together with the requisite deposit has been received from a member proposing the candidature of Mr. Sagar Jain for his appointment as Director. The said notice and the Memorandum and Articles of Association of the Company are available for inspection at the Registered Office of the Company.

Therefore, your Directors recommend the resolution for your approval.

None of the Directors of the Company except Mr. Sagar Jain is concerned or interested in the aforesaid resolution.

ITEM NO 6

Your directors please to confirm that Mr. Sagar Jain who was appointed as additional Director on 14th July, 2010 have given his consent to act as Whole time Director of the company i.e. 31st August, 2010 for a period of Five Year on terms and conditions set out in the Resolution. The remuneration as set out in the resolution is in accordance with the provisions of Schedule XIII to the Companies act, 1956.

The Board recommends the resolution for approval of Members.

None of the Directors, except Mr. Sagar Jain is concerned or interested in the resolution.

By Order of the Board
For SAARC NET LIMITED

Place : Delhi
Date : 31-08-2010

Sd/-
A.R. Mishra
Director &
Company Secretary

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 of the company.
2. Proxies in order to be effective must be deposited at the corporate office of the company at least 48 hours before the time of the meeting.
3. Members are requested to bring their own copy of annual reports at annual general meeting and no further copies will be circulated at the time of annual general meeting.
4. Please bring your attendance slip and handover at the entrance gate after verification from registration section at venue.
5. Register of members and share transfer books of the company will be closed from Saturday, 25th September, 2010 to Thursday, the 30th September, 2010 (both days inclusive).
6. Explanatory statement pursuant to section 173(2) of the companies act, 1956 is enclosed.

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 15th Annual Report together with the Audited Accounts of the Company for the period ended 31st March, 2010

FINANCIAL RESULTS:

Your Directors are pleased to report that during the year under review that the Company has achieved an Income of Rs.480.21 lakhs, in compare to previous year Rs. 458.24 lakhs.

The financial results are as under:

Particulars	(Rupees in lacs)	
	2009-2010	2008-2009
Income	480.21	458.24
Expenditure	765.34	540.13
Profit Before Tax (Loss)	285.13	(81.89)
Provision for Tax (Loss)	(0.24)	(0.48)
Net Profit	(28.72)	(81.41)

DIRECTORS

During the year under review, Mr. Govind Sharda has resigned from the office of Managing Director and Mr. Sagar Jain appointed as Whole Time director of the company. Mr. Mohan Thaburaj, Mr. Munish Tyagi and Mr. Jawahar Gupta resigned and Mr. Sagar Jain and Mr. Sunil Bhandari were appointed as an Additional Directors. Mr. Sudhakar Senapaty was appointed as an Additional director and resigned as Director of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect of Directors' Responsibility Statement, the Directors confirm:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- that 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;
- That they have prepared the annual accounts on a going concern basis.

DIVIDEND

During the year under review, your directors have not recommended any dividend on the equity share capital of the company.

DEPOSITS

During the year under review, the Company has neither made any offer to the Public for any fixed deposits nor accepted them in terms of Section 58A of the Companies Act, 1956.

AUDITORS

The present auditors M/s MANV & Associates Chartered Accountants New Delhi (Previously known as Jain Vijay & Associates) Chartered Accountants, New Delhi are retiring at the ensuing Annual General Meeting being eligible for reappointment and offer themselves as statutory Auditors of the company from the conclusion of this Annual General Meeting to the Conclusion of Next Annual General Meeting on a remuneration as may be fixed by board of directors of the company in consultation with auditors.

LISTING OF COMPANY'S SECURITIES

Your Company's shares are currently listed at Bombay Stock Exchanges.

CORPORATE GOVERNANCE

Your Company is committed to achieve the best standards of corporate governance. To achieve this, your Company is striving to adopt best practices in corporate governance. Your Company is taking necessary steps to implement and comply with the recommendations of the code of Corporate Governance Clause 49 of the listing agreement with stock exchange

Management Discussions & Analysis**Company Overview**

In the Statement of Management Discussion and Analysis of Financial conditions and results of operation describing the company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. The financial statement have prepared in compliances with the requirement of the Companies Act, 1956 and Generally Accepted Accounting Principals (GAAP) in India. Our management accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. The financial statements have been made on a prudent and reasonable basis, in order to that the financial statement reflect in a true and fair manner from and substance of transaction, and reasonably present our state of affairs, profits and cash flows for the year.

I.T. SECTOR

The Economic Value of IT depends greatly on the levels of economic process a nation has already achieved. I.T has the potential to make existing processes more effective and efficient, but cannot substitute for lack of business Infrastructure. These Ventures have the potential to uplift the large section of the population. The I.T. Sector in itself would offer relatively modest employment opportunities for India's Teeming populations even if India was to become the world's software factory.

Future Plans

Apart from the above the Management has decided to diversify in the area of Cylinder Manufacturing for oxygen and Compressed Natural Gas

INDUSTRIAL RELATIONS

Your directors are pleased to report that the industrial relations have been extremely cordial at all levels through out the year.

PERSONNEL

Information in accordance with section 217(2A) of the Companies' Act, 1956 read with the Companies (Particulars of Employees) Rules 1975, as amended as regards the particulars of employees drawing remunerations of Rs 24 Lacs or Rs 2 Lacs per month and above is NIL.

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

Information in accordance with Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988, as amended, Companies Conservation of Energy and Technology Absorption is NIL.

The Foreign Exchange Earnings and Out Go are as NIL.

EXPLANATION TO ANY QUALIFICATION IN AUDITORS' REPORT

Auditors' Report is self explanatory and do not call for any further clarifications.

ACKNOWLEDGEMENT

The Board acknowledge with gratitude the co-operation received from various agencies the Banks, Financial Institutions, and Valued Customers, and Shareholder Your Directors also place on record their sincere appreciation for the dedicated services rendered by the Employees at all levels.

By order of the Board
For **SAARC NET LIMITED**

Sd/-

Sd/-

Place : Delhi
Date : 31-08-2010

Govind Sharda
Director

Sagar Jain
Whole Time Director

CORPORATE GOVERNANCE REPORT

ANNEXURE - I

I. Brief statement On Company's Philosophy on Code of Governance

Your Company is committed in achieving the best standards of corporate governance. To achieve this, your company is striving to adopt best practices in corporate governance and taking necessary steps to implement and comply with the recommendations of the code of corporate governance.

II. Board of Directors:

a) Size and Composition of Board:

The Board of Directors of your Company has an appropriate mix of executive and non-executive directors in order to maintain independence of the Board and to separate Board functions of governance and management.

Name of the	Category	Designation	No. of Meetings attended	Attendance of each at last AGM
Mr. Govind Sharda	Promoter Director	Director	10	YES
Mr. Ashok Ranjan Mishra	Professional Director	Director	10	YES
Mr. Sudhakar Senapaty	Independent Director	Director	1	No
Mr. Munish Tyagi	Independent Director	Director	5	YES
Mr. Jawahar Gupta	Independent Director	Director	2	YES
Mr. Mohan Tabhuraaj	Independent Director	Director	0	NO
Mr. Sagar Jain	Professional Director	Whole Time Director	1	NO
Mr. Sunil Bhandari	Independent Director	Director	1	NO

b) Board Procedure

The Board of Directors of a Company shall meet at least four times a year, with a maximum time gap between two board meetings is 120 days.

Your company's Board of Directors meet at least once a quarter in a year to review the quarterly results and other items on the Agenda, and also on the occasion of the Annual General Meeting. Whenever necessary, additional meetings are held. Committees of the Board usually meet whenever required necessary for transacting the business.

III. Board Committees

The Board has constituted the Audit Committee, Shareholders' Grievance Committee, and Share Transfer Committee.

A. Audit Committee

1. Scope of the Audit Committee

The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures and the transparency, integrity and quality of financial reporting.

The audit committee of your company oversees the work carried out in the financial reporting process by the management, including the internal auditors and the independent auditor, and notes the processes and safeguards employed by each.

The role of the Audit Committee shall include the following.

- ☐ Reviewing the adequacy of internal control systems and the Internal Audit Reports, and their compliance thereof.
- ☐ Overseeing of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- ☐ Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for repayment for any other services.
- ☐ Reviewing with Management the quarterly and annual financial statements before submission to the Board.
- ☐ Such other matters as may be necessary in course of performing their functions

2. Composition and Procedure of the Audit Committee

The qualified and independent audit committee shall be set up having minimum of three members and majority of them are non executive directors, one director having financial and accounting knowledge and with the chairman who shall be an independent director.

The audit committee shall meet at least four times in a year, with a time gap of not more than four months in two meetings.

The quorum for the audit committee shall be either two members or one third of the members whichever is higher and minimum of at least two independent directors.

The Audit Committee of your company comprises of two (2) independent and non-executive directors and held Four (4) meetings during the year. The details of the same are:

Sl. No.	Name of the Director	Designation	No. of Meetings attended
1.	Mr. Munish Tyagi	Member & Chairman	5
2	Mr. Ashok Ranjan Mishra	Director & Company Secretary	6
3	Mr. Jawahar Gupta	Member	2
4	Mr. Govind Sharda	Director	4
5	Mr. Sudhakar Senapaty	Member	1

C. Shareholders' Grievance Committee

1. Scope of the Shareholders Grievance Committee

The Shareholders Grievance Committee of your Company shall look into the redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend, etc. The company has setup a Email ID Saarcnet.limited@gmail.com. and investors may also send their grievances to the company and members may address their grievances to Compliance Officer.

2. Name and Designation of the Compliance Officer

The name and designation of the Compliance Officer of the Company is Mr. Ashok Ranjan Mishra Company Secretary of the company. The shareholders can get in touch with the Compliance Officer on all Legal and Secretarial matters relating to the Company

3. The Share Transfer Committee consists of three directors. The details of the same are:

Sl. No.	Name of the Director	Designation
1.	Mr. Govind Sharda	Member & Chairman
2.	Mr. Ashok Ranjan Mishra	Member
3.	Mr. Munish Tyagi	Member

4. No. of Pending Transfers

There are no share transfers pending for more than a fortnight.

Nature of queries/complaints	Received	Resolved	Unresolved
No. of requests for change of Address	NIL	NIL	NIL
No. of requests for transmission	NIL	NIL	NIL
Non-receipt of share certificates	NIL	NIL	NIL
Revalidation of Dividend Warrants	NIL	NIL	NIL
Letters from SEBI & Stock Exchanges	NIL	NIL	NIL
Issue of Duplicate Share Certificates	NIL	NIL	NIL
Total	Nil	Nil	Nil

SHAREHOLDER'S INFORMATION

D. Annual General Meetings (AGMs)

- 14th AGM on 30th sept, 2009 at the registered office of the company at 504, Adeshwar, 34, Ferozshah Road, New Delhi 110001
- 13th AGM on 27th December, 2008 at the registered office of the company at 504, Adeshwar, 34, Ferozshah Road, New Delhi 110001
- 12th AGM on 26th September, 2007 at the Surana Udyog Auditorium, Federation of Andhra Pradesh Chamber of Commerce & Industry Federation House Red Hills Hyderabad 500004

E. DISCLOSURES

a) Materially Significant related party transactions:

There are no materially significant related party transactions i.e., transactions, material in nature, with its Promoters, the Directors or the Management, their subsidiaries or relatives etc., having potential conflict with the interests of the company at large.

b) Details of Statutory Non-Compliances

There have not been any non-compliance by the Company and no penalties or strictures imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authority, on any material related to capital markets, during the last three (3) years.

G. Means of Communication

The Company is furnishing the Quarterly Financial Results to Stock Exchanges where shares of the Company are listed.

I. General Shareholders Information

1. Details of 15th AGM

1. Date : 30.09.2010
2. Time : 10.30 A.M.
3. Venue : 39 Sadhana Enclave 2nd Floor, Panchsheel Park New Delhi -17.
4. Financial Year : 2009- 2010 (01.04.2009 to 31.03.2010)
5. Date of Book Closure : 25th September, 2010 to 30th September, 2010
(Both days inclusive)