

16th
Annual Report
2010-2011

SAARC NET LIMITED

BOARD OF DIRECTORS

Mr. Sagar Jain	Whole Time Director
Mr. Govind Sharda	Director
Mr. Anil Chandulal Mistry	Director
Mr. Mahendra A. Solanki	Director
Mr. Vinod Porwal	Director
Mr. Ashok Ranjan Mishra	Company Secretary & Compliance Officer

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

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NOTICE

Notice is hereby given that the Sixteenth Annual General Meeting of the Members of the **SAARC NET LIMITED** will be held on Friday, the 30th September, 2011 at 10.30 AM at 39 Sadhna 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 and Profit & Loss Account for the Year ending as on 31.03.2011 along with the Report of Directors and Auditors thereon.
2. To re appoint M/s. MANV & Associates, Chartered Accountants New Delhi who is eligible for reappointment As Statutory Auditors for the financial year 2011-2012 and fix their remunerations in consultation with auditors.

SPECIAL NOTICE

3. To appoint M/s. Y.D. & Co. Chartered Accountants New Delhi as Statutory Auditors in Place of MANV & Associates Chartered Accountants New Delhi in respect of which company has received a Special Notice from the shareholders signifying his intentions to propose the appointment of M/s Y.D & Co. Chartered Accountants New Delhi as Statutory Auditors and fix their remunerations.

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 Shri. Vinod Porwal, who was appointed as an Additional Director in the category of independent director of the Company w.e.f. 30th December 2010 being the date of appointment and who holds office as such up to the date of the ensuing 16th Annual General Meeting and in respect of whom notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Shri. Vinod Porwal, be and is hereby appointed as a Director, subject to retire by rotation of the Company

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

"RESOLVED THAT Shri. Anil Chandulal Mistry, who was appointed as an Additional Director in the category of independent director of the Company w.e.f. 15 January 2011, who will holds office as such up to the date of the ensuing 16th Annual General Meeting and in respect of whom notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Shri. Anil Chandulal Mistry, be and is hereby appointed as a Director, subject to retire by rotation of the Company.

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

"RESOLVED THAT Shri. Mahendra Atmarambhai Solanki, who was appointed as an Additional Director in the category of independent director of the Company w.e.f. 15 January 2011, and who will holds office as such up to the date of the ensuing 16th Annual General Meeting and in respect of whom notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Shri. Mahendra Atmarambhai Solanki, be and is hereby appointed as a Director, subject to retire by rotation of the Company

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

Place : Delhi
Date : 26-08-2011

A.R.Mishra
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 HIM SELF / HER SELF AND THE PROXY NEED NOT BE MEMBER OF THE COMPANY. PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Members / Proxies should bring the attendance slip duly filled in for attending the Meeting.
3. Shareholders are kindly requested to bring their copies of Annual Report to the meeting.

ANNEXURE TO NOTICE**EXPLANATORY STATEMENT AS REQUIRED PURSUANT TO SECTION 173(2)
OF THE COMPANIES ACT, 1956**

The Explanatory Statement sets out all the material facts relating to the Special Business mentioned under are accompanying this notice:

Item No.4.

In terms of provisions of section 260 of Companies Act 1956 and provisions of Articles of Association of company Shri Vinod Porwal, who was appointed as an Additional Director in the meeting of the Board of Directors of the Company held on 30th December 2010. Who holds the office of Directors up to the date of the ensuing 16th Annual General Meeting.

In Pursuant to section 257 of the Companies Act 1956 together with requisite deposit fee signifying his intention to propose the name of Shri. Vinod Porwal, a director subject to retirement by rotation.

None of the Directors except Shri Vinod Porwal, is concerned or interested in this resolution. Your Directors recommend this resolution for your approval.

Item No 5.

In terms of provisions of section 260 of Companies Act 1956 and provisions of Articles of Association of company Shri Anil Chandulal Mistry, was appointed as an Additional Director in the meeting of the Board of Directors of the Company held on 15 January 2011. Who holds the office of Directors up to the date of the ensuing 16th Annual General Meeting.

In Pursuant to section 257 of the Companies Act 1956 together with requisite deposit fee signifying his intention to propose the name of Shri. Anil Chandulal Mistry, a director subject to retirement by rotation.

None of the Directors except Shri Anil Chandulal Mistry, is concerned or interested in this resolution. Your Directors recommend this resolution for your approval.

Item No.6.

In terms of provisions of section 260 of Companies Act 1956 and provisions of Articles of Association of company Shri Mahendra Atmarambhai Solanki, who was appointed as an Additional Director in the meeting of the Board of Directors of the Company held on 15 January 2011. Who holds the office of Directors up to the date of the ensuing 16th Annual General Meeting.

In Pursuant to section 257 of the Companies Act 1956 together with requisite deposit fee signifying his intention to propose the name of Shri. Mahendra Atma Ram Bhai Solanki, a director subject to retirement by rotation.

None of the Directors except Shri Mahendra Atmarambhai Solanki, is concerned or interested in this resolution. Your Directors recommend this resolution for your approval.

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

Place : Delhi
Date : 26-08-2011

A.R.Mishra
Company Secretary

DIRECTOR'S REPORT

Dear Members,

Your Directors have pleasure in presenting the Sixteenth Annual Report together with the Audited Accounts of the Company for the period ended 31st March, 2011

FINANCIAL RESULTS:

Your Directors are pleased to report that during the year under review that the Company has achieved an Income of Rs.896.13 Lacs, in compare to previous year Rs.48.02 Lakhs despite the adverse market conditions your company could able to reduce it's Losses from 28.51 lacs to 4.50 Lacs after depreciation & tax. The financial results are as under:

	(Rupees in lacs)	
Particulars	2010-2011	2009-2010
Income	896.13	48.02
Expenditure	899.44	7.46
Profit (Loss) before Tax	(4.50)	(28.51)
Provision for Tax (Net)	5.05	(0.24)
Profit (loss) after Tax	00.55	(28.27)

DIRECTOR'S

During the year under review, Mr. Vinod Porwal, Mr. Anil Chandulal Mistry, & Mr. Mahendra Atmarambhai Solanki, were appointed as an Additional Directors Mr. Sagar Jain was appointed as Whole Time director, Mr. Sunil Bhandari was appointed as Additional director and resigned and Mr. A R Mishra Mr. Munish Tyagi resigned.

DIRECTOR'S RESPONSIBILITY STATEMENT

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

- a) 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;
- b) 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;
- c) 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;
- d) That they have prepared the annual accounts on a going concern basis.

DIVIDEND

During the year under review, your directors do not recommend 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 Accountant, New Delhi the retiring auditors at the ensuing Annual General Meeting being eligible to offer themselves for reappointment 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 company in consultation with Auditors.

The company has received a Special Notice Signifying his intention to propose the appointment of Y.D & Co. Chartered Accountants New Delhi in place of retiring Auditors.

LISTING OF SECURITIES

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

CORPORATE GOVERNANCE

Corporate Governance philosophy of the Company is based on the principles of equity, fairness, transparency, spirit and honest communication. Company believes that sound Corporate Governance is necessary to retain stakeholders trust and ensure effective working and proper conduct of business of the company with integrity. Your Company is committed to achieve the best standards of corporate governance; to achieve this 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 is attached to the report as 'Annexure - I'

MANAGEMENT DISCUSSION ANALYSIS

Indian economy has demonstrated remarkable resilience in countering the global financial Crises. Although the impact was felt on some critical indicators, such as declining GDP Growth and shrinking global trades the recovery was better than expectations. The Information Technology is also it ushered in glimpses of recovery, while the second half of the year brought in growth; we have focus on innovations around emerging technologies.

Information Technology has to become a US\$ 225 billion industry by 2020, the Indian information technology (IT) industry has played a key role in putting India on the global map. In addition to fuelling India's economy, this industry is also positively influencing the lives of its people through an active direct and indirect contribution to various socio-economic parameters such as employment, standard of living and diversity. The industry has played a significant role in transforming India's image from a slow moving bureaucratic economy to a land of innovative entrepreneurs and a global player in providing world class technology solutions and business services.

The workforce in Indian IT industry will touch 30 million by 2020 and this sunrise industry is expected to continue its growth, expect various industry experts. Strong economic growth, rapid advancement in technology infrastructure, increasingly competitive Indian organizations, enhanced focus by the government and emergence of business models that help provide IT to new customer segments are the key drivers for increased technology adoption in India.

India is a preferred destination for companies looking to offshore their IT and back-office functions. It also retains its low-cost advantage and is a financially attractive location when viewed in combination with the business environment it offers and the availability of skilled people. we are expecting very excellent business

INDUSTRIAL RELATIONS

Your directors are pleased to report that the industrial relations have been extremely cordial with banks, creditors & all level of employees through out the year.

PARTICULARS OF EMPLOYEES

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 60 Lacs Per Annum or Rs 5 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 Rs. NIL

EXPLANATION TO ANY QUALIFICATION IN AUDITORS' REPORT

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

ACKNOWLEDGEMENT

The Board acknowledges 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**

Place : Delhi
Date : 26-08-2011

Sd/-
Vinod Porwal
Director

Sd/-
Sagar Jain
Whole Time Director

CORPORATE GOVERNANCE REPORT

ANNEXURE - I

1. 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 Your Company is taking necessary steps to implement and comply with the recommendations of the code of corporate governance.

2. 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.

During the year under review, board of directors met at **9 (Nine)** Board Meetings held on 30.04.2010, 30.06.2010, 14.07.2010, 28.07.2010, 31.08.2010, 2.11.2010, 30.12.2010, 15.01.2011 & 29.01.2011.

Name of the Director	Category	Designation	No. of Board Meetings Attended	Last AGM Attended	Date of Appointment of Change
Mr. Govind Sharda	Promoter	Director	8	Yes	18/01/2007
Mr. Sagar Jain	Professional	Whole Time Director	6	NO	31.08.2010
Mr. A R Mishra	Professional	Director	6	Yes	15.01.2011 Resigned
Mr. Anil Chandulal Mistry	Independent	Additional Director	1	NA	15/01/2011
Mr. Mahendra Atmarambhai Solanki	Independent	Additional Director	1	NA	15/01/2011
Mr. Vinod Porwal	Independent	Additional Director	2	NO	30/12/2010
Mr.Sudhakar Senapaty	Professional	Additional Director	1	NO	28.08.2010 Resigned

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, between any two meetings.

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.

3. Board Committees

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

4. Audit Committee**5. 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

6. 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 Five (5) meetings during the year. The details of the same are:

Dates of Audit Committee Meetings held five times on **30-04-2010, 28-7-2010, 31.08.2010, 2 -11-2010, 29-01-2011**

1	Mr. Govind Sharda	Member & Chairman	4
2	Sudhakar Senapaty	Member	1
3	Mr. Munish Tyagi	Member	3

Due to change in board of directors, the audit committee re-constituted.

Sl. No.	Name of the Director	Designation	No. of Meetings attended
1.	Mr. Vinod Porwal	Independent	1
2.	Mr. Anil C Mistry	Independent	1
3.	Mr. Mahinder A. Solanki	Independent	1

B. 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. The Company has also appointed Registrar and Share Transfer Agent and investor can approach them at following addresses

C REGISTRAR & SHARE TRANSFER AGENT

BIGSHARE SERVICES PVT.LTD.

G-10, LEFT WING

AMRUTHA VILLE APPARTMENTS

OPP. YASHODA HOSPITAL,

RAJ BHAVAN ROAD, SOMAJIGUDA

HYDERABAD - 500 082

2. Name and Designation of the Compliance Officer

Mr. Ashok Ranjan Mishra

Company Secretary

3. Share Transfer Committee

The Share Transfer Committee comprises of 1/ 3 or two directors. Which ever is higher

Sl. No.	Name of the Director	Designation
1.	Mr. Govind Sharda	Member & Chairman
2.	Mr. A. R. Mishra	Member

Due to Change in constitution of Board of directors Mr. Sagar jain and Mr. Anil Chandulal Mistry and Mr. Mahindra A Solanki are appointed as member of share transfer committee.

4. No. of Pending Transfers

As per confirmation of RTA there are no share transfers pending for more than a fortnight.

5. No. of Shareholders Complaints received so far during the year.

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

C. Annual General Meetings (AGMs)

- 15th AGM of the company held on 30th Sept, 2010 at 10.30 AM at 39, Sadhna Enclave, Panchsheel Park, New Delhi-110017
- 14th AGM on 30th sept, 2009 at the registered office of the company at 504 Adheshwar Building, Ferojshah 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