

17th
Annual Report
2011-2012

SAARC NET LIMITED

BOARD OF DIRECTOR

SAGAR JAIN	- WHOLE TIME DIRECTOR
VINOD PORWAL	- DIRECTOR
ANIL CHANDULAL MISTRY	- DIRECTOR
MAHENDRA ATAMARAMBHAI SOLANKI	- DIRECTOR

Auditor

M/S. Y. D. & CO.
Chartered Accountants
LUDHIANA

SHARE TRANSFER AGENT

BIGSHARE SERVICES PRIVATE LIMITED
G-10, LEFT WING, AMRUTHA VILLE APPARTMENTS,
OPP. YASHODA HOSPITAL, RAJ BHAVAN ROAD,
SOMAJIGUDA, HYDERABAD - 500 082
PHONE: 040 - 233 74967
TELEFAX: 040 - 233 70295

REGISTERED OFFICE

36, GOLA MARKET,
BEHIND GOLCHA CINEMA,
DARYAGANJ, DELHI-110002
DELHI, INDIA

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NOTICE

NOTICE is hereby given that the **17th Annual General Meeting** of the Members of **SAARC NET LIMITED** will be held at the Registered Office of the Company at **36, GOLA MARKET , BEHIND GOLCHA CINEMA, DARYAGANJ, DELHI-110002, INDIA** on **Saturday, 29th day of September, 2012 at 10:30 A. M.** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt Audited Balance Sheet as at **31st March, 2012** and the Profit & Loss Account for the year ended on that date and the reports of the Directors' and the Auditors' thereon.
2. To appoint a Director in place of **MR VINOD PORWAL**, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of **MR MAHENDRA ATAMARAMBHAI SOLANKI**, who retires by rotation and being eligible, offers him-self for re-appointment.
4. To appoint Auditor and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT M/s. Y. D. & Co., Chartered Accountants, Ludhiana [FRN: 018846N] be and are hereby appointed as the Statutory Auditors of the Company for the financial year **2012-13**, to hold office as such from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at a remuneration as to be decided by the Board of Directors in consultation with them, apart from out-of-pocket expenses that may be incurred by them for the purpose of audit."

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

PLACE: DELHI

DATE: 01.09.2012

**(ANIL CHANDULAL MISTRY)
CHAIRMAN**

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. A PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE TIME SCHEDULED FOR HOLDING THE MEETING.
2. Members/ proxies are requested to bring their copies of Annual Report along with duly filed and signed attendance sheets attached with it for attending the meeting.
3. The Register of Members and Share Transfer Register of the Company will remain closed from 22nd September, 2012 to 29th September, 2012 (both days inclusive).
4. Bigshare Services Private Limited at G-10, Left Wing, Amrutha Ville Apartments, Opp. Yashoda Hospital, Raj Bhavan Road, Hyderabad-500082, INDIA is Registrars and Share Transfer Agents for Company's shares in Demat and Physical Form. The members are requested to please ensure that their shares are converted into Demat Form.
5. Additional information as required in terms of paragraph 3 of the Clause 49 of the Listing Agreement on Director seeking re-appointment at the ensuing Annual General Meeting is as under:
MR. VINOD PORWAL is Non Executive Director of the Company. He has rich experience in the field of Finance and HR. He has been associated with the Company w.e.f. 30.12.2010. He is Member of the Audit Committee and Share Transfer and Grievances Committee of the Company. MR. VINOD PORWAL retires by rotation and being eligible offers himself for re-appointment.
6. Additional information as required in terms of paragraph 3 of the Clause 49 of the Listing Agreement on Director seeking re-appointment at the ensuing Annual General Meeting is as under:
MR. MAHENDRA ATAMARAMBHAI SOLANKI is Non Executive Director of the Company. He is well qualified person. He has been associated with the Company w.e.f. 15.01.2011. MR. MAHENDRA ATAMARAMBHAI SOLANKI retires by rotation and being eligible offers himself for re-appointment.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors here by present the 17th Annual Report on business and operations of the Company together with the Audited statements of Accounts for the financial year ended on 31st March 2012.

FINANCIAL PERFORMANCE:

Key aspects of Company' financial performance for the year 2011-12 is tabulated below:

Particular	[Amount in Rupees]	
	2011-12	2010-11
Total Income	3285977	89613041
Total Expenditure	3059692	90063103
Profit/(Loss) Before Extraordinary items and Taxation	226285	(450062)
Extraordinary items	Nil	Nil
Profit/(Loss) before Tax (PBT)	226285	(450062)
Less: Current Tax and Differed Tax inc. Provision written off	(70424)	504615
Net Profit/(Loss) after Tax for the year	155861	54553

REVIEW OF OPERATIONS:

During the year under review due to sluggish market condition and financial crisis company faces huge set back. So company unable to generate targeted revenue from the operation the Company hence total Income was stood at Rs. 3285977/- and has made net profit of Rs. 1,55,861/- for the year ended 31st March, 2012. The management has taken measures as part of its continuous improvements to strengthen operations and viability.

DIVIDEND:

Your Directors have not declared any dividend during the year under review due to inappropriate revenue.

FIXED DEPOSIT:

The Company has not accepted any deposit from the public pursuant to the provisions of Section 58A of the Companies Act, 1956.

CHANGE IN BOARD OF DIRECTORS:

MR VINOD PORWAL and MR MAHENDRA ATAMARAMBHAI SOLANKI, Directors of the Company are retires by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

MANAGEMENT DISCUSSION AND ANALYSIS:

Management Discussion and Analysis forms part of the Annual Report to the shareholders and it includes discussion on matters as required under the provisions of Clause 49 of the listing agreement forming part of this report is annexed herewith. The Audit Committee of the Company has regularly reviewed internal Control System of the company.

CORPORATE GOVERNANCE REPORT:

Your Company has complied with the requirements of Clause 49 of the Listing Agreement on Corporate Governance. Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Report on Corporate Governance along with the Auditors' Certificate on its compliance is annexed separately to this Annual Report.

AUDITORS AND AUDITORS' REPORT:

M/s. Y. D. & Co., Chartered Accountants, Ludhiana, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

The observations made by the Auditors' in their Auditors' Report and the Notes on Accounts referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

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

The details of conservation of energy, technology absorption etc. as required to be given under Section 217(1)(e) of the Companies Act 1956, are not applicable to our Company, as our Company has not engage in manufacturing activities.

The foreign exchange earning on account of the operation of the Company during the year was Rs. Nil.

PARTICULARS OF EMPLOYEES:

The statement showing particulars of employees under section 217(2A) of the Companies Act, 1956, read with the companies (Particulars of Employees) Rules, 1975, as amended, is not required to be given as there were no employees coming within the purview of this section.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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;
- iii) the Directors 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;
- iv) Directors have prepared the accounts on a "going concern basis".

ACKNOWLEDGEMENT:

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the Banks, Government Authorities, Customers, and Shareholders during the year. Your directors also wish to take on record their deep sense of appreciation for the committed services of the employees at all levels, which has made our Company successful in the business.

**For and on Behalf of the Board
For, SAARC NET LIMITED**

**PLACE: DELHI
DATE: 01.09.2012**

**(ANIL CHANDULAL MISTRY)
CHAIRMAN**

Annexure to Director's Report

MANAGEMENT DISCUSSION ANALYSIS REPORT

Outlook:

The company is confident in spite of the possible recessionary conditions in the industry it will perform better in view of the strong fundamentals of the Indian companies and hope to improve its Turnover.

Internal Controls Systems and their adequacy:

The company has adequate internal control systems to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance of law and regulations. The internal control system is supported by the internal audit process. The Internal Auditor reviews and ensures that the audit observations are acted upon. The Audit Committee of the Board reviews the Internal Audit reports and the adequacy and effectiveness of internal controls.

Human Resources

The relationship with the employees continues to be cordial. The Company recognizes the importance and contribution of its employees for its growth and development and constantly endeavors to train nurture and groom its people. The Company puts emphasis on attracting and retaining the right talent. The company places emphasis on training and development of employees at all levels and has introduced methods and practices for Human Resource Development.

Cautionary Statement:

Statements in this Management Discussion and Analysis describing the company's objectives, projections, estimates and expectations may be forward looking statement within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

Annexure to Director's Report**REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED ON 31ST MARCH, 2012****1. THE CORPORATE GOVERNANCE PHILOSOPHY**

Corporate Governance at the Company is by the need to “enhance shareholder value, keeping in view the interests of other stakeholders”. This definition places emphasis on the need to strike a balance at all times between the need to enhance shareholders’ wealth whilst not being detrimental to other stakeholders’ interests. The imperative for Corporate Governance lies not merely in drafting a code of Corporate Governance, but in practicing it to achieve desired results.

2. BOARD OF DIRECTORS

The Board of Directors is having non-executive and independent directors as on 31st March, 2012. The Board of Directors is consisting of four Directors. The Directors manages the day to day affairs of the Company. Non-executive and independent directors did not have any pecuniary relationship of transactions with the company during the period under review. There are no material transactions where they have had personal interests that conflict with that of the Company.

Numbers of Board Meetings held and the dates on which such meetings were held:

During the financial year 2011-12 the Board met 7 (Seven) times on 30.04.2011, 30.07.2011, 26.08.2011, 01.11.2011, 02.11.2011, 01.12.2011 and 14.02.2012. The maximum gap between two meetings was not more than 4 months.

Attendance record of Directors attending the Board meetings and Annual General Meetings

Name of the Director	Designation/ Category	No. of Board Meetings		Last AGM attendance
		Held	Attended	
Mr. ANIL CHANDULAL MISTRY	Non Executive & Independent	7	7	Yes
Mr. MAHENDRA ATAMARAMBHAI SOLANKI	Non Executive & Independent	7	7	Yes
Mr. SAGAR JAIN	Whole-Time Director	7	7	Yes
Mr. VINOD PORWAL	Non Executive & Independent	7	7	Yes
*Mr. Govind Sharda	Promoter & Director	7	3	Yes

*** Resigned w.e.f. 01.11.2011**

None of the Director is a member in more than 10 Companies and Act as Chairman in more than 5 Companies across all Companies in which he is a Director.

3. AUDIT COMMITTEE

The Audit Committee of the Company presently comprises of three Directors being Mr. ANIL CHANDULAL MISTRY, Mr. MAHENDRA ATAMARAMBHAI SOLANKI and Mr. SAGAR JAIN.

Presently Mr. MAHENDRA ATAMARAMBHAI SOLANKI is Chairman of the Committee.

The role, terms of reference, authority and powers of the audit committee are in conformity with the requirement of Companies Act, 1956, and Listing Agreement.

Role/ Functions of the Committee:

- Reviewing with management the annual financial statements before submission to the Board.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- Review of policies relating to risk management – operational and financial.
- Reviewing with the management, external auditors and the adequacy of the internal control system.

Powers of the Committee:

- To investigate any activity within its terms of reference.
- To secure attendance of and seek any information from any employee including representative of the prime shareholders (subject to their internal approvals).
- Compliance with accounting standards.
- To obtain outside legal or other professional advice, if necessary.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.
- Compliance with Stock Exchange and legal requirements concerning financial statements.

Attendance at the Audit Committee Meetings- 2012

During the year the Audit Committee met 4 times on 30.04.2011, 30.07.2011, 02.11.2011 and 14.02.2012 attendance of the members as under:

Name	Designation/ Category	No. of Meeting attended	
		Held	Attended
Mr. ANIL CHANDULAL MISTRY	Non Executive & Independent	4	4
Mr. MAHENDRA ATAMARAMBHAI SOLANKI	Non Executive & Independent	4	4
Mr. SAGAR JAIN	Whole-Time Director	4	4

4. SHAREHOLDERS TRANSFER AND GRIEVANCES COMMITTEE

This committee presently consists of three directors namely, Mr. ANIL CHANDULAL MISTRY, Mr. MAHENDRA ATAMARAMBHAI SOLANKI and Mr. SAGAR JAIN.

MR. ANIL CHANDULAL MISTRY is Chairman of the Committee. The committee was constituted to redress shareholders'/ investors' complaints etc. relating to delay in transfer of shares, non-receipt of annual accounts, delay in balance sheet, split-up share certificate, issue duplicate certificate, transmission of shares, dematerialization of shares etc. relating to the shares issued by the Company. MR. ANIL CHANDULAL MISTRY, Director of the Company has been authorized by the Board to approve such transfers within the time stipulated under the Listing Agreement. Further the complaints of the above nature are promptly attended by the Compliance Officer.

MR. ANIL CHANDULAL MISTRY has been appointed as the Compliance Officer of the Company by the Board of Directors.

There is no pending, unsolved complaint of Shareholders of the Company and no pending Share Transfer.

5. GENERAL BODY MEETINGS**Location and time for last 3 years Annual General Meetings:**

Financial Year	Location	Date	Time A.M./ P.M.
16th 2010-11	39, Sadhna Enclave, Panchsheel Park, New Delhi-110017	30.09.2011	10:30 A.M
15th 2009-10	39, Sadhna Enclave, Panchsheel Park, New Delhi-110017	30.09.2010	10:30 A.M
14th 2008-09	504, Adheshwar Building, Ferojshah Road, New Delhi 110001	30.09.2009	10:30 A.M

No Special Resolution was required to be carried out through postal ballot during the last year. No resolution is proposed by postal ballot at the ensuing Annual general meeting. No Special Resolution was passed during last three AGM. No Extra Ordinary General Meeting held during last three years.

6. DISCLOSURES

- There are no materially significant related partly transactions i.e. transactions of the Company of material natures, with its promoters, the directors or the managements, their subsidiaries or relatives etc., that may have potential conflict with interest of the Company at large.
- No penalties or strictures were imposed on the Company by the Stock Exchange or SEBI or any statutory authority, on any matter related to capital markers, during the last three years.
- The Company has complied with various rules and regulations prescribed by the Stock Exchange and SEBI during the last three years. No penalties or strictures have been imposed by them on the Company.

7. MEANS OF COMMUNICATION

The Company has submitted its quarterly, half yearly and yearly financial results to the Stock Exchanges as well as website of the company immediately after its approval by the Board. The Company did not send the half yearly report to the Shareholders of the Company.