

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

INDEX

Contents	Page No.
Notice of Annual General Meeting	01
Report of the Directors & Management Discussion and Analysis	02
Corporate Governance Report	04
Auditors' Report	10
Balance Sheet	13
Profit and Loss Account	14
Cash Flow Statement	15
Notes forming part of the financial statements	16

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.

8. GENERAL SHAREHOLDERS INFORMATION

Financial Year	1st April, 2011 to 31st March, 2012.	
Date and time of Annual General Meeting	29.09.2012 and 10:30 A.M.	
Venue of Annual General Meeting	36 Gola Market , Behind Golcha Cinema, Daryaganj, Delhi-110002, India	
Dates of Book Closure	22.09.2012 to 29.09.2012	
Listing on Stock Exchange	BSE Limited, Mumbai	
Stock Code and Scrip ID	531901 (BSE) and SARCN (BSE)	
Demat ISIN No.	INE313B01025	
Financial Year Calendar (tentative and subject to change) (01.04.2012 to 31.03.2013)		
Financial reporting for the First quarter ending on 30th June, 2012	Last week of July, 2012	
Financial reporting for the Half year ending on 30th September, 2012	Last week of October, 2012	
Financial reporting for the Third quarter ending on 31st December, 2012	Last week of January, 2013	
Financial reporting for the Year ending on 31st March, 2013	Last week of April, 2013	
Annual General Meeting for the year ending on 31st March, 2013	Last week of September 2013	

9. CATEGORIES OF SHAREOWNERS AS ON 31-03-2012

Category	No. of Shares Held	Voting Strength (%)
Promoters	1890218	3.26
Resident Individuals	35924939	62.00
Financial Intuitions/ Banks	Nil	0.00
Bodies Corporate	17935993	30.95
NRIs/ OCBs	2152750	3.71
Directors Relatives	Nil	0.00
Others	44100	0.08
Total	57948000	100.00

10. DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2012

Share Balance	Holders	% of Total	Total Shares	% of Total
1- 5000	2583	74.55	4232614	7.30
5001- 10000	375	10.82	3191344	5.51
10001- 20000	185	5.34	2881385	4.97
20001- 30000	85	2.45	2155215	3.73
30001- 40000	46	1.33	1625221	2.80
40001-50000	50	1.44	2351459	4.06
50001- 100000	65	1.88	4943931	8.53
100001 and above	76	2.19	36566831	63.10
Total	3465	100.00	57948000	100.00

11. STOCK MARKET DATA

The monthly movement of Equity Share prices on BSE during the year is summarized below:

Month	Highest (Rs)	Lowest (Rs)
April, 2011	0.67	0.90
May, 2011	0.79	0.86
June, 2011	0.81	0.92
July, 2011	0.88	0.95
August, 2011	0.80	0.90
September, 2011	0.57	0.66
October, 2011	0.60	0.63
November, 2011	0.59	0.60
December, 2011	0.42	0.64
Jan, 2012	0.55	0.63
Feb., 2012	0.55	0.62
March, 2012	0.56	0.64

12. REGISTRAR AND SHARE TRANSFER AGENT

Bigshare Services Private Limited at G-10, Left Wing, Amrutha Ville Appartments, Opp. Yashoda Hospital, Raj Bhavan Road, Hyderabad-500082, INDIA is the Registrar & Share Transfer Agent for processing the transfer of securities issued by the Company. PHONE: 040 - 233 74967, TELEFAX: 040 - 233 70295.

Email: hyd2_bigshare@yahoo.com, bsshyd@bigshareonline.com

13. Share transfer system:

Transfer of Shares in Physical form are registered and dispatched within 3 weeks from the date of their receipts, subject to the documents being valid and complete in all respects. Transfer of shares are processed by the Share Transfer Agents and approved by the Share Transfer Committee called as "Investor / Shareholders Grievance Committee", which meets at frequent intervals. Share transfers are registered and returned within 15 days from the date of receipt, if the relevant documents are complete in all respect.

14. Dematerialization of shares and liquidity

The Equity Shares of your company are traded in compulsory dematerialization form by all investors. The company has entered into agreements with both existing Depositories, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) enabling the investors to hold shares of the company in electronic form through the depository of their choice. As on 31st March 2012, **55655555** Equity Shares (96.04 %) of the Company was held in dematerialized form.

15. ADDRESS FOR CORRESPONDENCE:

36, Gola Market, Behind Golcha Cinema, Daryaganj, Delhi-110002, India

Investors Correspondence/ Complaints to be address to:

MR ANIL CHANDULAL MISTRY - Director and Compliance Officer

E-mail: saarcnet1@gmail.com

16. DECLARATION:

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT OF THE COMPANY

In the above regards, I declare as follows:

1. The company does have a code of conduct approved by its board of directors, which would be posted on its website shortly.
2. All the members of the board of directors and all the members of the Senior Management of the Company have individually submitted statements of affirmation of compliance with the code of conduct as applicable to the financial year ended on March 31st 2012.

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

**PLACE: DELHI
DATE: 01.09.2012**

**(ANIL CHANDULAL MISTRY)
CHAIRMAN**

CEO/CFO CERTIFICATE

To,
The Board of Director
SAARC NET LIMITED
Delhi

I ANIL CHANDULAL MISTRY, chairman and Director of **SAARC NET LIMITED**, to the best of my knowledge and belief certify that:

1. I have reviewed the Balance Sheet, Profit & Loss Account and its schedules & notes on accounts as well as the Cash Flow Statement and Directors' Report for the year ended 31st March, 2012 and that to the best of my knowledge and belief.
 - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading:
 - These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. I also certify that to the best of my knowledge and the information provided to me, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. I am responsible for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps. I have taken or propose to take to rectify these deficiencies.
4. I have indicated to the Auditors and the Audit Committee:
 - significant changes in internal control, if any, over financial reporting during the year;
 - significant changes, if any, in accounting policies during the year and that the financial statements; and
 - instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or any employee having a significant role in the company's internal control system.
5. I further declare that all Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct for the year ended on 31st March, 2012.

PLACE: DELHI

DATE: 01.09.2012

(ANIL CHANDULAL MISTRY)
CHAIRMAN & DIRECTOR

CERTIFICATION ON CORPORATE GOVERNANCE

To the members of SAARC NET LIMITED:

We have examined the compliance of conditions of Corporate Governance by **SAARC NET LIMITED** for the year ended 31st March, 2012, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The compliance of condition of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We have been explained that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

We further state that such compliances is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For, Y. D. & Co
CHARTERED ACCOUNTANTS
FRN: 018846N**

**PLACE: LUDHIANA
DATE: 01.09.2012**

**CA RAKESH PURI
PARTNER
M. No.: 092728**

AUDITORS' REPORT TO THE MEMBERS OF SAARC NET LIMITED

We have audited the attached Balance Sheet of SAARC NET LIMITED, New Delhi as at 31st March 2012 and also the Profit & Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. 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 and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003, as amended by the Company's (Auditor's Report) (Amendment) Order, 2004, (together the 'Order') issued by the Central Government of India in terms of Section 227 (4A) of 'The Companies Act, 1956' of India and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us, we give in the Annexure, a statement on the matters specified in paragraph 4 & 5 of the said 'Order'.

Further to our comments in the Annexure referred to in paragraph above we report that:

- a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b. In our opinion, proper books of account as required by Law have been kept by the Company, so far as appears from our examination of those books.
- c. The balance sheet and Profit & Loss account and Cash Flow Statement dealt by this report are in agreement with the books of accounts.
- d. In our opinion, the Balance Sheet and Profit and 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 Company Act, 1956, to the extent applicable.
- e. On the basis of written representations received from the Directors as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the director is disqualified as on March 31, 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 Significant Accounting Policies and notes on the accounts thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - i. in the case of balance Sheet of the state of affairs of the company as at 31st March 2012
 - ii. in the case of the Profit & Loss Account of the Loss for the year ended on that date and
 - iii. in the case of the cash flow statement, of the cash flow for the year ended on that date.

For, Y. D. & Co
CHARTERED ACCOUNTANTS
FRN: 018846N

PLACE: LUDHIANA
DATE: 01.09.2012

CA RAKESH PURI
PARTNER
M. No.: 092728

ANNEXURE REFERRED TO IN PARAGRAPH-2 OF OUR REPORT OF EVEN DATE

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.

b) We have been informed that major fixed assets have been physically verified by the management at reasonable intervals which in our opinion, is reasonable having regard to the size of the Company and nature of its assets. As informed to us no material discrepancies have been noticed on such verification.

c) According to information and explanation given to us, the company has not disposed off any fixed assets during the year.
2. a) The management has conducted physical verification of inventory at reasonable intervals, which have been confirmed by them.

b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

c) The company has maintained proper records of inventory and no material discrepancies were noticed on physical verification as compared to book records.
3. a) The Company has not granted any loan to parties listed in the register maintained under section 301 of the Companies Act 1956. Accordingly, clause (iii) (b) (c), and (iii) (d) of paragraph 4 of the Order are not applicable to the Company.

b) The Company has not taken loan, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, clause (iii) (f) and (iii) (g) of paragraph 4 of the Order are not applicable to the Company.
4. In our opinion and according to the information and explanation given to us the Company has adequate internal control procedure commensurate with the size of the Company and nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. Further, on the basis of our examination of the books of accounts and records of the Company and according to information and explanation given to us, we have not come across any continuing failure to correct any major weakness in internal control.
5. In accordance with information and explanation given to us, we are of the opinion that the company has not entered into any contract or arrangement during the year that needed to be entered into the register maintained in pursuance of section 301 of the Companies Act, 1956. Accordingly, clause (v) (a) and (v) (b) of paragraph 4 of the Order are not applicable to the Company.
6. According to the information and explanations given to us, the Company has not accepted any deposits during the year from the public within the meaning of the provisions of section 58A and 58AA of The Companies Act, 1956 and the rules made there under.
7. In our opinion the Company's internal audit system is commensurate with the size and nature of the business of the Company.
8. The Company has no manufacturing activities during the year, hence clause (viii) of paragraph 4 of the Order is not applicable to the Company.
9. (a) According to records of the Company, the Company is regular in depositing undisputed statutory dues except Tax Deducted at Source with appropriate authority. According to the information & explanations given to us, there is no undisputed statutory dues which were in arrears, as at 31st March, 2012 for a period of more than six months from the date they became payable.

(b) According to information and explanation given to us and the records examined by us, there are no disputed statutory dues that have not been deposited on account of matters pending before appropriate authorities.

10. In our opinion, the Company has accumulated losses at the end of the year, which is not more than fifty percent of its net worth. Further, the Company has not incurred cash losses during the financial year covered by our audit and not incurred in immediately preceding financial year.
11. As per information and explanation given to us the Company has not received any loan from Banks and financial institution or issued any debentures.
12. According to the information and explanation given to us the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
13. The Company is not a chit fund or a Nidhi / Mutual benefit Funds / society. Therefore clause 4 (xiii) of the Order is not applicable to the Company.
14. The Company has maintained proper records of transaction and contracts in respect of the shares and other securities and timely entries have been made therein. The investment in shares has been made in the company's name.
15. The details of guarantees given for the loans taken by others have not been made available to us and hence the terms and conditions of the guarantees given by the Company, for loans taken by others from banks during the year can not be commented.
16. The company has not raised any term loans during the year.
17. According to the basis of information and explanation given to us and on the basis of overall examination of the Balance Sheet of the company, no fund raised for short term basis have been utilized for long term investment.
18. The Company has not made any preferential allotment of shares to any party or company covered in the register maintained under Section 301 of the Companies Act, 1956.
19. Since the Company does not have any debentures, provisions of Para (xix) of the Order are not applicable to the Company.
20. Since the Company has not raised money by Public Issue during the year, the provisions of Para (xx) of the Order are not applicable to the Company.
21. To the best of our knowledge and belief and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company nor we have been informed of such cases by the management.

For, Y. D. & Co
CHARTERED ACCOUNTANTS
FRN: 018846N

PLACE: LUDHIANA

DATE: 01.09.2012

CA RAKESH PURI
PARTNER
M. No.: 092728

BALANCE SHEET AS AT 31ST MARCH 2012			
(Amount in Rupees)			
Particulars	Notes	March 31, 2012	March 31, 2011
I. EQUITY AND LIABILITIES			
<u>(1) Shareholder's Funds</u>			
(a) Share Capital	2	57948000	57948000
(b) Reserves and Surplus	3	(4684924)	(4840785)
<u>(2) Share Application money pending allotment</u>		00	00
<u>(3) Non-Current Liabilities</u>			
(a) Long Term Borrowings	4	00	2000000
<u>(4) Current Liabilities</u>			
(a) Trade Payables	5	2957150	3668110
(d) Short-Term Provisions	6	87000	00
Total Equity & Liabilities		56307226	58775325
II. ASSETS			
<u>(1) Non-Current Assets</u>			
(a) Fixed Assets	7		
(i) Gross Block		1180206	1180206
(ii) Depreciation		1073088	1001676
(iii) Net Block		107118	178530
(b) Non-current investments	8	10000	10000
(c) Deferred tax assets (net)		435364	418788
(d) Long term loans and advances	9	38918702	48656844
(e) Other Non Current Assests	10	16427536	00
<u>(2) Current Assets</u>			
(a) Inventories	11	00	934459
(b) Trade receivables	12	00	8018920
(c) Cash and cash equivalents	13	97309	317045
(d) Short-term loans and advances	14	311197	240739
Total Assets		56307226	58775325
Notes to Accounts 1 to 32			
<i>Schedules referred to above and notes attached there to form an integral part of Balance Sheet</i>			
<i>This is the Balance Sheet referred to in our Report of even date.</i>			
For Y. D. & Co.		FOR AND ON BEHALF OF THE BOARD	
CHARTERED ACCOUNTANTS			
Firm Reg. No. 018846 N			
(CA RAKESH PURI)		ANIL C MISTRY	MAHENDRA A SOLANKI
PARTNER		(DIRECTOR)	(DIRECTOR)
Membership No. 092728			
Place: Ludhiana		Place: Delhi	
Date: 01.09.2012		Date: 01.09.2012	

PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED ON 31ST MARCH, 2012				
(Amount in Rupees)				
Sr. No	Particulars	Notes	2011-12	2010-11
I	Revenue from operations	15	2375600	88812345
II	Other Income	16	910377	800696
III	III. Total Revenue (I +II)		3285977	89613041
IV	Expenses:			
	Purchase Electrical Goods	17	1403800	88501634
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	18	934459	19815
	Employee Benefit Expense	19	300200	912043
	Financial Costs	20	17934	14153
	Depreciation and Amortization Expense	21	71412	119019
	Other Administrative Expenses	22	331887	496439
	Total Expenses (IV)		3059692	90063103
V	Profit before exceptional and extraordinary items and tax	(III - IV)	226285	(450062)
VI	Exceptional Items (Excess provision Added Back)		00	00
VII	Profit before extraordinary items and tax		226285	(450062)
VIII	Extraordinary Items		00	00
IX	Profit Before Tax (VII - VIII)		226285	(450062)
X	Tax expense:			
	(i) Current Tax		(87000)	(1055017)
	(ii) Deferred tax		16576	43501
	Provision Written off		00	1516131
XI	Profit(Loss) from the period from continuing operations	(IX-X)	155861	54553
XII	Profit/(Loss) from discontinuing operations		00	00
XIII	Tax expense of earlier period		00	00
XIV	Profit/(Loss) from Discontinuing operations	(XII - XIII)	00	00
XV	Profit/(Loss) for the period (XI + XIV)		155861	54553
XVI	Earning per equity share:			
	(1) Basic		0.00	0.00
	(2) Diluted		0.00	0.00
Notes to Accounts		1 to 32		
<i>Notes referred to above and notes attached there to form an integral part of Profit & Loss Statement</i>				
<i>This is the Profit & Loss Statement referred to in our Report of even date.</i>				
For Y. D. & Co.		FOR AND ON BEHALF OF THE BOARD		
CHARTERED ACCOUNTANTS				
Firm Reg. No. 018846 N				
(CA RAKESH PURI)		ANIL C MISTRY		MAHENDRA A SOLANKI
PARTNER		(DIRECTOR)		(DIRECTOR)
Membership No. 092728		Place: Delhi		
Place: Ludhiana		Date: 01.09.2012		
Date: 01.09.2012				

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012		
(Amount in Rupees)		
	2011-12	2010-11
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Tax and Extra Ordinary Items	226285	(450062)
Adjustments For Depreciation	00	00
Add: Depreciation	71412	119019
Add: (Profit) / loss on sale of fixed assets / Investment	00	(2081)
Add: Provision for Income Tax Earlier Year Written Off	00	1516131
Operating Profit before Working Capital Changes	297697	1183007
Adjustment For		
(Increase)/Decrease in Trade Receivable	8018920	00
(Increase)/Decrease in inventory	934459	00
(Increase)/Decrease in Loans & Advances	(70458)	(1253440)
(Increase)/Decrease in other Non current assets	(16427536)	00
Increase/(Decrease) in current liabilities & Provision	(710960)	(1386207)
(Increase)/Decrease in net current assets	(8255575)	(2639647)
Cash generated from operations	(7957878)	(1456640)
Tax Paid	00	1055017
Net cash from Operating Activities	(7957878)	(2511657)
B CASH FLOWS FROM INVESTING ACTIVITIES :		
Proceeds from sale of investment	00	2081
(Increase)/Decrease in loans and advances	00	2007590
Net cash flow from Investing Activities	00	2009671
C Cash Flow From Financing Activities		
Proceeds from long term borrowing (Unsecured)	(2000000)	500000
Proceeds from long term Loans & Advances	9738142	00
Net Cash Received From Financing Activities	7738142	500000
Net Increase/(Decrease) in Cash & Cash Equivalent	(219736)	(1986)
Opening cash & cash equivalent	317045	319033
Closing cash & cash equivalent	97309	317046
Notes :		
1. The Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 "Cash flow Statements" Issued by the ICAI.		
2. Previous Year's figures have been reclassified to confirm with current year's presentation, where applicable This is the Cash Flow Statement referred to in our report of even date.		
For Y. D. & Co.	FOR AND ON BEHALF OF THE BOARD	
CHARTERED ACCOUNTANTS		
Firm Reg. No. 018846 N		
(CA RAKESH PURI)	ANIL C MISTRY	MAHENDRA A SOLANKI
PARTNER	(DIRECTOR)	(DIRECTOR)
Membership No. 092728		
Place: Ludhiana	Place: Delhi	
Date: 01.09.2012	Date: 01.09.2012	

Note: 1 Significant Accounting Policies

1. Basis of Preparation of Financial Statement: The Financial Statements have been prepared to comply with all material aspects related to applicability of accounting principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956. The financial Statements have been prepared under the historical cost convention on the basis of a going concern. The Company follows mercantile system of accounting and recognized income and expenditure on accrual basis.

2. Revenue Recognition: The Company's income consists of income from computer hardware & software business and trading in shares business. The Income from sale of computer hardware is recognized on the basis of transfer of significant risks and rewards to the customer who takes place on the dispatch of the material from the premises of the Company. The income from trading in shares is recognized on the basis of contract note of share broker.

3. Fixed Assets and Depreciation:

1) Fixed Assets are stated at cost of acquisition and other related expenses less accumulated depreciation.

2) Depreciation on assets is provided on Written Down Value Method at the rates and in the manner specified in schedule XIV of the Companies Act, 1956. The depreciation on addition and disposal has been charged on prorata basis, if applicable.

4. Investments: Investment is stated at cost.

5. Valuation of Inventory: Closing Stock of shares and computer hardware are valued at cost, determined on weighted average basis, or net realizable value, whichever is less.

6. Retirement Benefit: The provisions of the Provident Fund and Family Pension Fund are not applicable to the Company during the year. The provision for the Gratuity has also not been made as no employee has completed the specified period of service.

7. Earning per Share: The basic earning per share is computed by dividing the net profit / (loss) attributable to the equity share holders for the year by the weighted average number of equity shares during the reporting year.

8. Taxes on Income: Current Tax on Income is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognized subject to the consideration of prudence, on timing difference, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent period.

9. Impairment of Assets: The Company identifies impairable assets at every Balance Sheet for the purpose of arriving at impairable loss there on, being the difference between the book value and the recoverable value of the relevant assets. Impairment loss when crystallized is charged against the revenue of the year.

10. Contingent Liabilities: There is no contingent Liabilities.

Note : 2 Share Capital

Sr. No	Particulars	Current Year	Previous Year
1	AUTHORIZED CAPITAL 6,50,00,000 Equity Shares of Rs. 1/- each	6,50,00,000	6,50,00,000
		6,50,00,000	6,50,00,000
2	ISSUED , SUBSCRIBED & PAID UP CAPITAL 5,79,48000 Equity Shares of Rs. 1/- each fully paid up	5,79,48,000	5,79,48,000
	Total in	5,79,48,000	5,79,48,000

Note : 3 Reserve & Surplus

Sr. No	Particulars	Current Year	Previous Year
	Surplus (Profit & Loss Account)	(4684924)	(4840785)
	Balance brought forward from previous year	(4840785)	(4895338)
	Less: Tax on Regular Assessment Paid	00	00
	Add: Profit for the period	155961	54553
	Total in	(4684924)	(4840785)

Note : 4 Long Term Borrowings(Unsecured)

	Other Loans & Advances	00	20,00,000
	Total in	00	20,00,000

Note : 5 Trades Payable

1	Trade Payables For Goods	24,50,000	25,51,642
2	Trade Payables For Others	5,07,150	11,16,468
	Total in	29,57,150	36,68,110

Note : 6 Short Term Provisions

	Provision for Taxation	87000	00
	Total in	87000	00

Note : 8 Non Current Investment

	Investment in NSC	10,000	10,000
	Total in	10,000	10,000

Note : 9 Long Term Loans and Advances

1	Other Loans & Advances	38918702	48656844
	Total in	38918702	48656844

Note : 10 Other Non Current Assets

1	Long Term Trade Receivables Unsecured, Considered Good :	11,427,536	00
2	Others	5,000,000	00
	Total in	16,427,536	00

Note : 11 Inventories

	Stock-in-Trade	00	934,459
	Total in	00	934,459

Note : 12 Trade Recievables

1	Outstanding for more than six months	00	4,714,081
2	Others Unsecured, Considered Good :	00	3,304,839
	Total in	00	8,018,920

Note : 7 Fixed Asset

Particulars	Rate	Gross Block				Depreciaton				Net Block	
		Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	WDV as on 31.32012	WDV as on 31.03.2011
Tangible Assets											
Computer	40.00%	1,180,206	00	00	1,180,206	1,001,676	71,412	00	1,073,088	107,118	178,530
SUB TOTAL (A)		1,180,206	00	00	1,180,206	1,001,676	71,412	00	1,073,088	107,118	178,530
(Previous Year)		1,180,206	00	00	1,180,206	882,657	119,019	00	1,001,676	178,530	297,549

Note : 13 Cash & Cash Equivalent

Sr. No	Particulars	Current Year	Previous Year
1	Cash-in-Hand	79761	241144
	Sub Total (A)	79761	241144
2	Bank Balance	17548	75901
	Sub Total (B)	17548	75901
	Total [A + B + C]	97309	317045

Note : 14 Short Terms Loans and Advances

1	Others	153589	00
	<i>Advance Recoverable in cash or in kind or for value to be considered good</i>		
2	Advance Income Tax/Refund Due & others	157608	240739
	Total in	311197	240739

Note : 15 Revenue from Operations

1	Sale of Computer Software	2,375,600	88811207
2	Sale of Shares	00	1138
	Total in	2,375,600	88,812,345

Note: 16 Other Income

1	Interest Income	910,377	798614
2	STCG	00	2082
	Total in	910,377	800,696

Note : 17 Purchases

1	Purchase	1,403,800	88500244
2	Direct Expenses	00	1390
	Total in	1,403,800	88,501,634

Note : 18 Change in Inventories

1	Opening Stock	934,459	954,274
2	Closing Stock	00	(934,459)
	Total in	934,459	19,815

Note : 19 Employment Benefit Expenses

1	Salaries, Bonus, PF & ESIC	165,200	243,000
2	Directors Remuneration	135,000	665,000
3	Staff Welfare	00	4,043
	Total in	300,200	912,043

Note:20 Financial Cost

1	Interest on Other loans	16,986	00
2	Bank Charges	948	14,153
	Total in	17,934	14,153

Note : 21 Depreciation & Amortised Cost

Sr. No	Particulars	Current Year	Previous Year
1	Depreciation	71,412	119,019
2	Preliminary Expenses W/O	00	00
	Total in `	71,412	119,019

Note : 22 Other Administrative Expenses

1	Advertisement Exp.	16974	23974
2	Auditors Remuneration	10000	66180
3	Books & Periodicals	6500	00
4	Conveyance & Travelling Exp.	28000	7633
5	Discount Allowed	00	46873
6	Donation	1,100	00
7	Filing Fees	3000	15000
8	Legal Expenses	67170	177921
9	Listing Fees	33325	48286
10	Postage & Telegram Exp.	23700	20565
11	Printing & Stationery Exp.	41700	12371
12	Registration Membership Exp.	60,818	69,615
13	Sundry expenses	25800	521
14	Telephone Expenses	13800	7500
	Total in `	331,887	496,439

Note: 23

There is an Investment of Rs 10,000/- in National Saving Certificate. The investment income has not been accounted for till date and status of Investment in National Saving Certificate is not available.

Note: 24

The balances of Central Bank of India, Mumbai, HDFC Bank (Centurion Bank), New Delhi, Sundry Debtors, Sundry Creditors, Loan and Advances granted and Loans received are subject to confirmation and reconciliation. In the opinion of the Board, current assets and loans and advances have a value of at least equal to the amounts shown in the Balance Sheet, if realized in the ordinary course of the business.

Note: 25

The Company has given Interest free loans and advances to related and unrelated concerns.

Note: 26

The Company has made provision for deferred tax as per the Accounting Standards AS-22 on "Accounting for Taxes on Income" issued by ICAI. The provision for deferred tax upto 31.03.12 is as follows:-

Particulars	Amount in Rs	
	2011-12	2010-11
Deferred Tax Assets	Rs.418788/-	Rs.375287/-
Deferred Tax Assets during the year	Rs.16576/-	Rs.43501/-
Provision for Deferred Tax Assets	Rs.435364/-	Rs.418788/-

Note: 27

The Company has paid Managerial Remuneration as follow:

Particulars	Amount in Rs	
	2011-12	2010-11
Salary to Whole Time Director	Rs.135000/-	Rs.665000/-

Note: 28

Remuneration to Auditors:

Particulars	Amount in Rs	
	2011-12	2010-11
Audit fees	Rs. 10000/-	Rs. 66,180/-
Taxation Matters	Nil	Rs.17,500/-
Others	Nil	Rs.1,655/-

Note: 29

There are no Micro, Small and Medium Enterprises, as defined in Micro, Small and Medium Enterprises Development Act, 2006, to whom the company owes dues on account of principal amount together with interest and accordingly no additional disclosure have been made.

Note: 30

Previous year figures have been regrouped / rearranged / reclassified wherever considered necessary to make them comparable with the current year figures.

Note: 31

Figures have been rounded off to the nearest Rupee.

Note: 32 Earnings per Share

	Year ended 31.03.2012	Year ended 31.03.2011
Profit / (Loss) attributable to equity share holders (Rs. In Lacs)	1.56	0.54
Basic weighted average number of shares during the year (Nos.)	5,79,48,000	5,79,48,000
Total Shares issued	5,79,48,000	5,79,48,000
Basic EPS (Rs.)	0.00	0.00
Diluted EPS (Rs.)	0.00	0.00

Signature to Notes '1' to '32'

As per our report on even date

For Y. D. & Co.

CHARTERED ACCOUNTANTS

Firm Reg. No. 018846 N

FOR AND ON BEHALF OF THE BOARD

(CA RAKESH PURI)
PARTNER

Membership No. 092728

Place: Ludhiana

Date: 01.09.2012

ANIL C MISTRY
(DIRECTOR)

Place: Delhi

Date: 01.09.2012

MAHENDRA A SOLANKI
(DIRECTOR)

SAARC NET LIMITED

Reg. Office: 36 Gola Market, Behind Golcha Cinema, Daryaganj, Delhi-110002, India

17th Annual General Meeting to be held on 29.09.2012 at 10.30 A.M. at 36 Gola Market, Behind Golcha Cinema, Daryaganj, Delhi-110002, India

ATTENDANCE SLIP

Registered Folio No.:..... (or)
Demat Account No.:..... D.P. ID No.:.....
Name of the Shareholder:.....

I/we hereby certify that I am/we are Member/s/ Proxy of the Member/s of the Company holding Shares.

.....
Signature of Member/s/ Proxy

- A member or his duly appointed Proxy willing to attend the meeting must fill-up this Admission Slip and hand over at the entrance.
- Name of the Proxy in Block Letters.....
(in case a Proxy attends the meeting)
- Those who hold shares in demat form to quote their Demat A/c. No. and Depository Participant (D.P.) ID No.

✂-----Cut Here-----

SAARC NET LIMITED

Reg. Office: 36 Gola Market, Behind Golcha Cinema, Daryaganj, Delhi-110002, India

17th Annual General Meeting to be held on 29.09.2012 at 10.30 A.M. at 36 Gola Market, Behind Golcha Cinema, Daryaganj, Delhi-110002, India

PROXY FORM

I/We

\of

Member / Members of SAARC NET LIMITED hereby appoint.....

ofof failing him/ her.....

ofas my/ our Proxy to attend and vote for me/us on my/ our behalf at the 17th Annual General Meeting of the Company to be held on 29.09.2012 at 10:30 A. M. at **36, Gola Market, Behind Golcha Cinema, Daryaganj, Delhi-110002, India** and at any adjournment hereof.

Signed on thisday of2012.

Ref. Folio No.....

Demat Account No..... D.P. ID No.....

No. of Shares held.....



Signature

- The Proxy form should be signed by the member across the stamp.
- A member intending to appoint a Proxy should complete the Proxy Form and deposit it at the Company's Regd. Office, at least 48 before the time.
- Those who hold shares in demat form to quote their Demat A/c. No. and Depository Participant (D.P.) ID No.

BOOK-POST

If undelivered, please return to:

SAARC NET LIMITED

Reg. Office: 36 GOLA MARKET, BEHIND GOLCHA CINEMA, DARYAGANJ, DELHI-110002, INDIA