

SAARC NET LTD.

To
The Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Tower,
Dalal Street,
Bombay - 400 001.

BSE CODE :- 531901

SUB:- Submission of Annual Report

Respected Sir,

We are sending copy of the Annual report of the financial year 2009-2010 .

Please find the attached copy of the Annual Report and kindly acknowledge us for the same.

Thanking You,

Yours Faithfully,

Respected Sir,
For, SAARC NET LTD.



(Director/ Autho. Sign.)

Please find the attached copy of the Annual Report and kindly acknowledge us for the same.

Registered Address:-39, Sadhana Enclave, 1st Floor, Panchsheel Park, New Delhi 110017

Thanking You,
Yours Faithfully,

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	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:

- 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 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

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

2. Details pursuant to Listing of Securities

a. Listing of Securities

1. The Mumbai Stock Exchange,

b. Stock Code

BSE Scrip Code : 531901

c. Market Price Data

High/Low during each month of the Financial Year is follows:

Month	Open Price	High Price	Low Price
Apr-09	1.21	1.27	1.04
May-09	1.14	1.27	0.88
Jun-09	1.33	2.25	1.33
Jul-09	1.94	1.99	1.36
Aug-09	1.85	2.13	1.47
Sep-09	2.23	3.58	2.23
Oct-09	2.43	2.76	1.95
Nov-09	1.92	2.3	1.68
Dec-09	1.68	2.28	1.46
Jan-10	2.06	2.16	1.63
Feb-10	1.65	1.82	1.43
Mar-10	1.5	1.5	1.02

The Company's equity shares are traded on Bombay Stock Exchange Limited under 'T' Category.

d. Share Transfer System & Dematerialization of Shares

Big Share Services Private Limited is our Registrars and Share Transfer Agents. The contact details are: Big Share Services Private Limited, G-10, Left wing, Amrutha Ville Apartments, Opp. Yashoda Hospital, Raj Bhavan Road, Somajiguda, Hyderabad - 500 082. Tel: 040-23374967 Fax: 040-23370295 email: hyd2_bigshare@yahoo.com, bsshyd@bigshareonline.com.

As on 31st March 2010, 22762378 equity shares constituting 39.28% are with CDSL and 32846177 Equity shares constituting 56.68% with NSDL in demate mode and 2339445 equity shares constituting 4.04 % are in Physical Mode.

e. Distribution of Shareholding

As on 31st March 2010, the Distribution of Shareholding was as follows:

Range (Rs.)	No. of Shareholders	% of Shareholders	No. of Shares (Rs.)	% of Shareholding
1. Up to - 5,000	1873.	75.58	2989005	5.153
2. 5,001 - 10,000	236	9.52	2000879	3.452
3. 10,001- 20,000	115	4.64	1779938	3.071
4. 20,001-30,000	61	2.46	1611375	2.780
5. 30,001-40,000	36	1.45	1266005	2.184
6. 40,001-50,000	51	2.05	2398192	4.138
7. 50,001-1,00,000	55	2.22	4520760	7.801
8. 1,00,000 and above	51	2.05	41381846	71.412
Total	2478	100	57948000	100

f. Shareholding pattern as on March 31st 2010

Category	No. of Shares	Percentage (%)
Promoters	20599839	35.55
NRI	2225750	3.84
Persons acting in concert	-	-
Mutual Funds & UTI	-	-
Financial Institutions/Banks	-	-
Bodies Corporate	9428853	16.27
Indian Public	25693558	44.34
TOTAL	57948000	100.00

g. Outstanding GDR/ADR/Warrants or any convertible instruments, conversion date and impact on equity - NIL -

h. The Address for Correspondence

Investor's correspondence should be addressed to
Regd Office

COMPANY SECRETARY,
SAARC NET LIMITED
39 Sadhana Enclave (1st Floor)
Panchsheel Park,
NEW DELHI 110001
Saarcnet .Limited @gmail.com

Email ID

MANV & Associates
Chartered Accountants

SA
VILAY JAIN
Partner

Place : New Delhi
Date : 27-08-2010

COMPLIANCE

The certificate regarding compliance of conditions stipulated under Clause 49 of the listing agreement from the auditors of the company is attached hereto.

AUDITORS CERTIFICATE 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 on 31st March, 2010, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

In our opinion and to the best of the information and according to the explanations given to us:

We certify that the company has complied with the mandatory conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We State that there are no investor grievance (s) pending for the period exceeding one month against the company as per records maintained by shareholders/ investor Grievance Committee.

We further State that such compliance is neither as assurance as the future viability of the company nor the efficiency or effectiveness with which management has conducted the affairs of the company.

MANV & Associates
Chartered Accountants

Place : New Delhi
Date : 31-08-2010

Sd/-
VIJAY JAIN
Partner

The Certification of Whole Time Director (CEO) in compliance of listing agreement is enclosed as under:

I, **Mr. Sagar Jain** Whole Time Director of **SAARC NET LIMITED**, to the best of our knowledge and belief, certify that:

1. I have reviewed the balance sheet and profit and loss account, and all its schedule and notes on account, as well as the cash flow statements, and the director's report;
2. Based on our knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statement made, in light of the circumstances under which such statements were made, not misleading with respect to the statement made;
3. Based on our knowledge and information, the financial statements, and other information included in this report, present in all material respect, a true and fair view of the company's affair, the financial condition, results of operation and cash flow of the company as of , and for, the period presented in this report, and are in compliance with the existing accounting standard and / or applicable laws and regulation;
4. To the best of our knowledge and belief, no transactions entered into by the company during the year are fraudulent, illegal or violative of the company's code of conduct;
5. We are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the company, and we have:
 - a) designed such disclosure controls procedure to ensure the material information relating to the company, is made known to us by others with in those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with generally accepted accounting principals;
 - c) evaluated the effectiveness of the company's disclosure, controls and procedures;
 - d) disclosed in this report any changes in the company's internal controls over financial reporting that occurred during the company's most recent fiscal year that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting.
 - e) We have disclosed based on our most recent evaluation, wherever applicable, to the Company's auditors and the audit committee of the company's Board of Directors (and persons performing the equivalent functions)
 - a) all deficiencies in the design or operation of internal controls, which could adversely affect the company's ability to record, process, summarize and report financial data, and have identified for the company's auditors, any material weakness in internal controls over financial reporting any corrective actions with regards to deficiencies;
 - b) significant changes in internal controls during the year covered by this report;
 - c) all significant changes in accounting policies during the year, If any, and that the same have been disclosed in the notes to the financial statements;
 - d) Instances of significant fraud of which we are aware, that involve management or other employee who have significant role in the company's internal control system.
6. In the event of any materially significant misstatement or omissions, we will return to the company that part of any bonus or incentive or equity based compensation, which was inflated on account of such errors, as decided by the audit committee;
7. I further declare that all board members and senior managerial personnel have affirmed compliance and code of conduct for the current year.

Place : New Delhi
Date : 31-08-2010

Sd/-
SAGAR JAIN
Whole Time Director

AUDITORS' REPORT

To
The Members of
M/s SAARC NET LIMITED
NEW DELHI

1. We have audited the attached Balance Sheet of **SAARC NET LIMITED**, New Delhi as at 31st March 2010 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.
2. 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.
3. 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'.
4. 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, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
 - d) In our opinion, the Balance Sheet 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, 2010 and taken on record by the Board of Directors, we report that none of the director is disqualified as on March 31, 2010 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 explanation given to us, the said accounts read together with notes thereon in Schedule L 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.
 1. In the case of the Balance Sheet of the state of affairs of the company as at 31st March, 2010.
 2. In the case of the Profit & Loss Account of the Loss for the year ended on the date; and
 3. In the case of Cash Flow Statement of the Cash Flow for the year ended on that date.

For **MANV & ASSOCIATES**
Firm Regd. No. 007351N
Chartered Accountants

Sd/-

VIJAY KUMAR JAIN

Partner

M. No. 087502

Place : New Delhi
Dated : 31st August 2010

ANNEXURE TO THE AUDITORS' REPORT
TO THE MEMBERS OF SAARC NET LIMITED

(Referred to in paragraph 3 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 granted unsecured loans to three parties listed in the register maintained under section 301 of the Companies Act 1956. The maximum amount involved during the year was Rs.122.26 lacs and the year end balance of loan given to such parties was Rs.122.26 lacs.
- b) In our opinion and according to the information and explanation given to us, the terms and conditions on which loan granted to Companies and related parties covered in the register maintained under section 301 of the Companies Act, 1956 are not Prima Facie, prejudicial to the interest of the Company. However no interest has been charged on the loans granted.
- c) As explained to us the aforesaid loans have been granted as interest free and repayable on demand basis. The parties to whom loans have been granted, have not repaid the principal amount during the year.
- d) As explained to us, the aforesaid loans granted are repayable on demand basis and parties have not repaid loans during the year, the overdue amount in excess of Rs. One lac can not be commented.
- e) 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 and services. 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 not regular in depositing undisputed statutory dues of Income Tax, Fringe Benefit Tax and Service Tax with appropriate authorities. The details of undisputed amount payable on account of Income Tax, Fringe Benefit Tax and Service Tax dues which have remained outstanding as at 31-03-2010 for a period more than six months from the day they became payable are as follows;
- | | |
|-------------|------------------|
| Income Tax | Rs.29, 83,770.00 |
| FBT | Rs. 49,715.00 |
| Service Tax | Rs. 16,41,774.00 |
- 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 also incurred cash losses during the financial year covered by our audit as well as in immediately preceding financial year also.
- 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 MANV & ASSOCIATES
Firm Regd. No. 007351N
Chartered Accountants

Sd/-
VIJAY KUMAR JAIN
Partner
M. No. 087502

Place : New Delhi
Dated : 31st August 2010

BALANCE SHEET AS AT 31.03.2010

Particulars	Schedule	As At (In Rupees) 31.03.2010	As At (In Rupees) 31.03.2009
SOURCES OF FUNDS			
1. Share Holder's Fund			
a) Share Capital	A	57,948,000	57,948,000
2. Loan Fund			
a) Unsecured Loans	B	1,500,000	1,500,000
TOTAL		59,448,000	59,448,000
APPLICATION OF FUNDS			
1. Fixed Assets :			
a) Gross Block		1,180,205	1,180,205
b) Less : Depreciation		882,657	684,291
c) Net Block		297,548	495,914
d) Add : Work in Progress		—	3,000,486
		297,548	3,496,400
2. Investments	D	10,000	10,000
3. Current Assets, Loans & Advances :	E		
a) Inventory		954,274	78,807
b) Sundry Debtors		6,745,664	103,740,861
c) Cash and Bank Balances		319,033	347,122
d) Loans & Advances		51,278,420	44,188,736
		59,297,391	148,355,526
Less : Current Liabilities & Provisions	F	5,427,564	94,833,193
Net Current Assets		53,869,827	53,522,333
4. Deferred Tax Assets		375,287	351,155
5. Profit and Loss Account	G	4,895,338	2,068,112
TOTAL		59,448,000	59,448,000
Significant Accounting Policies and Notes on Accounts	L		

Schedule 'A' to 'L' form an integral part of the Balance Sheet
As per our Audit Report of even date Attached

For **MANV & ASSOCIATES**
Firm Registration Number: 007351N
Chartered Accountants

For and on behalf of the Board
For **SAARC NET LIMITED**

Sd/-
VIJAY KUMAR JAIN
Partner

Sd/-
Govind Sharda
Director

Sd/-
Sagar Jain
Whole Time Director

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

M. No. 087502
Place : New Delhi
Date : 31-08-2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2010

Particulars	Schedule	As At (In Rupees) 31.03.2010	As At (In Rupees) 31.03.2009
INCOME			
Sales	H	4,405,361	29,875,544
Other Incomes	I	396,716	15,948,696
		<u>4,802,077</u>	<u>45,824,240</u>
EXPENDITURE			
Purchases, Direct, Administrative & Selling Expenses	J	5,603,954	46,534,863
Speculative Loss	K	1,851,115	6,808,844
		<u>7,455,069</u>	<u>53,343,707</u>
PROFIT/(LOSS) BEFORE DEPRECIATION AND TAX		<u>(2,652,992)</u>	<u>(7,519,467)</u>
Depreciation		198,366	669,673
PROFIT/ (LOSS) BEFORE TAX		<u>(2,851,358)</u>	<u>(8,189,140)</u>
Provision for Income Tax -Earlier year		-	(16,739)
Provision for Income Tax -Current year		-	86,184
Provision for Fringe Benefit Tax		-	10,400
Provision for Deferred Tax (Assets)		(24,132)	(127,853)
PROFIT/ (LOSS) AFTER TAX		<u>(2,827,226)</u>	<u>(8,141,132)</u>
Add: Balance brought forward		<u>(2,068,112)</u>	<u>6,073,020</u>
Balance Carried to Balance Sheet		<u>(4,895,338)</u>	<u>(2,068,112)</u>
Significant Accounting Policies and Notes on Accounts	L		

Schedule 'A' to 'L' form an integral part of the Balance Sheet
As per our Audit Report of even date Attached

For MANV & ASSOCIATES
Firm Registration Number: 007351N
Chartered Accountants

Sd/-
VIJAY KUMAR JAIN
Partner
M. No. 087502

For and on behalf of the Board
For SAARC NET LIMITED

Sd/-
Govind Sharda
Director

Sd/-
Sagar Jain
Whole Time Director

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

Place : New Delhi
Date : 31-08-2010

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2010

Particulars	Schedule	As At (In Rupees) 31.03.2010	As At (In Rupees) 31.03.2009
SCHEDULE - A : SHARE CAPITAL			
Authorised			
6,50,00,000 (Pre Yr - 6,50,00,000)			
Equity Shares of Rs. 1/- each		<u>6,50,00,000</u>	<u>6,50,00,000</u>
Issued, Subscribed and Paid up			
5,79,48,000 (Pre Yr - 5,79,48,000)			
Equity Shares of Rs. 1/- each		<u>57,948,000</u>	<u>57,948,000</u>
		<u>57,948,000</u>	<u>57,948,000</u>
SCHEDULE - B : UNSECURED LOANS			
Inter Corporate Loans		<u>1,500,000</u>	<u>1,500,000</u>
		<u>1,500,000</u>	<u>1,500,000</u>

SCHEDULE - C : FIXED ASSETS AND DEPRECIATION AS PER COMPANIES ACT FOR THE YEAR ENDING 31.03.2010

c No.	Description of the asset	Gross Block			Depreciation				Net Block		
		As at 01.04.2009	Additions	Deletions	As at 31.03.2010	As at 01.04.2009	For the Year	Adjustment	As at 31.03.2010	As at 31.03.2010	As at 01.04.2009
1	Computers	1,180,205	-	-	1,180,205	684,291	198,366	-	882,657	297,548	495,914
	TOTAL	1,180,205	-	-	1,180,205	684,291	198,366	-	882,657	297,548	495,914
	PREVIOUS YEAR	21,449,438	-	20,269,233	1,180,205	19,116,926	669,873	(19,102,308)	684,291	495,914	2,332,512

SCHEDULE - D : INVESTMENTS

Investment in NSC	<u>10,000</u>	<u>10,000</u>
	<u>10,000</u>	<u>10,000</u>

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2010

Particulars	Schedule	As At (In Rupees) 31.03.2010	As At (In Rupees) 31.03.2009
SCHEDULE - E : CURRENT ASSETS, LOANS & ADVANCES			
CURRENT ASSETS :			
(a) Inventory (As Certified by the Management)			
Shares		40,657	78,807
Computer		913,617	-
		<u>954,274</u>	<u>78,807</u>
(b) Sundry Debtors (Unsecured, Considered Good)			
Exceeding Six Months		4,759,712	12,252,297
Others		1,985,952	91,488,564
		<u>6,745,664</u>	<u>103,740,861</u>
(c) Cash and Bank Balances			
Cash in hand		308,264	321,329
Balance With Scheduled Banks - Current Accounts		10,769	25,793
		<u>319,033</u>	<u>347,122</u>
LOANS & ADVANCES :			
(d) Loans & Advances (Unsecured, Considered Good)			
(Loans and Advances recoverable in cash or in kind or for value to be received)			
Inter Corporate Loans		41,004,385	41,899,081
Other Advances		8,177,887	131,848
Advances With Sales Tax and Income Tax Department		2,096,148	2,157,807
		<u>51,278,420</u>	<u>44,188,736</u>
SCHEDULE - F : CURRENT LIABILITIES & PROVISIONS			
CURRENT LIABILITIES :			
Sundry Creditors - Trade		475,651	89,870,925
Sundry Creditors - Others		270,036	176,447
Government Dus		4,681,877	4,689,237
		<u>5,427,564</u>	<u>94,736,609</u>
PROVISIONS :			
Provision for Tax		-	86,184
Fringe Banefit Tax		-	10,400
		<u>5,427,564</u>	<u>94,833,193</u>
SCHEDULE - G : PROFIT & LOSS ACCOUNT			
Profit & Loss Account		4,895,338	2,068,112
		<u>4,895,338</u>	<u>2,068,112</u>
SCHEDULE - H : SALES			
Textile		-	30,536,159
Shares		2,520,361	2,769,745
Computer Software		1,885,000	-
		4,405,361	33,305,904
Less: Sales Returns			
Computer Software		-	3,430,360
		<u>4,405,361</u>	<u>29,875,544</u>

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2010

Particulars	Schedule	As At (In Rupees) 31.03.2010	As At (In Rupees) 31.03.2009
SCHEDULE - I : OTHER INCOME			
Commission		-	15,939,532
Interest		391,029	9,164
Dividend		1,400	-
Misc Income		4,287	-
		<u>396,716</u>	<u>15,948,696</u>
SCHEDULE - J : PURCHASE, DIRECT, ADMINISTRATIVE & SELLING EXPENSES			
PURCHASE AND MANUFACTURING :			
Opening Stock		78,807	-
Purchase			
Textile		-	30,510,680
Shares		2,464,087	3,052,231
Loss on derivative - Shares		-	9,732,581
Computer Software		2,740,850	-
Direct Expenses		10,429	11,117
		<u>5,294,173</u>	<u>43,306,608</u>
Less: Closing Stock - Shares		<u>954,274</u>	<u>78,807</u>
Cost of Good Sold		4,339,899	43,227,801
ADMINISTRATIVE & SELLING EXPENSES :			
Advertisement Expenses		22,252	25,845
Audit Fees		66,180	39,708
Bank Charges		9,004	5,519
Books and Periodicals		453	4,689
Business Promotion		4,919	-
Conveyance		21,275	58,121
Electricity Charges		-	7,290
General Exp.		6,787	34,730
Postage and Telegrams		5,475	6,128
Printing and Stationery		12,731	28,197
Registration and Membership		20,752	65,558
Office Repair and Maintenance		22,663	33,505
Salaries		801,696	1,730,755
Staff Welfare		9,242	18,494
Telephone Expenses		9,457	38,955
Interest paid on delay payment		80,771	-
Listing Fees		48,090	15,000
Filing Fees		16,500	2,287
Traveling Expenses		33,849	94,317
Legal and Professional charges		71,959	92,207
Discount Allowed		-	33,833
Loss on sale of Fixed Assets		-	971,925
Prior Period Expenses		-	-
		<u>1,264,055</u>	<u>3,307,061</u>
Total		5,603,954	46,534,863
SCHEDULE - K : SPECULATIVE LOSS			
Speculative Loss - Commodity		1,851,115	6,808,844
		<u>1,851,115</u>	<u>6,808,844</u>

SCHEDULE - L : FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2010
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES:

1. Basis of Preparation of Financial Statement:

The accounts 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 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.

4. Investments

Investment is stated at cost.

5. Valuation of Inventory

Closing Stock of shares 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 including Fringe Benefit Tax 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 income 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. Financial Derivatives (Share and Commodity) Transaction

In respect of the derivative contracts of shares and commodity provision for losses on restatement and gain/losses on settlement, considering the materiality in the value, are recognized in the profit and loss accounts.

11. Contingent Liabilities

Contingent Liabilities are not provided for and are being disclosed in Para No B7 of the Notes to Accounts.

B. NOTES TO ACCOUNTS:

- The computers purchased during the year of Rs. 27,40,851/- was planned for capitalization during the previous years and advance given for the purchase of the computers of Rs. 30,00,486/- was shown as capital advance as at 31st March 2009. The purchase of computers have been treated as regular stock and accordingly dealt in the books of accounts.
- 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.
- The balances of Central Bank of India, Mumbai, HDFC Bank, New Delhi, Sundry Debtors, Sundry Creditors and loan and advances granted 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.
- Contingent Liability not provided for in respect of:

Particulars	(Rs. in Lacs)	
	2009-2010	2008-2009
Gayatri AGRO Industrial Power Ltd.	*Rs. 3442.00	Rs. 3442.00

*This value has been taken on the basis of Previous Year Balance Sheet and present status of guarantee given has not been furnished to us.

- 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 31.03.10 is as follows:-

Particulars	(Amount in Rs.)	
	2009-2010	2008-2009
a) Deferred Tax Assets	Rs. 3,51,155/-	Rs. 2,23,302/-
b) Deferred Tax Assets during the year	Rs. 24,132/-	Rs.1,27,853/-
c) Provision for Deferred Tax Assets	Rs. 3,75,287/-	Rs.3,51,155/-

- The Company has paid Managerial Remuneration as follow:

Particulars	(Amount in Rs.)	
	2009-2010	2008-2009
Salary to Managing Director	-	Rs. 1,00,000/-
Salary to Company Secretary cum Director	Rs. 2,43,325/-	Rs. 6,62,400/-
Consultancy Charges to Director	-	Rs. 15,000/-

- Remuneration to Auditors:

Particulars	(Amount in Rs.)	
	2009-2010	2008-2009
Audit fees	Rs. 66180/-	Rs. 39708/-
Taxation Matters	Rs.17500/-	-
Others	Rs.1655/-	-

8. 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.

9. As informed to us the details of the related parties as per Accounting Standard 18 are as follows:

A) (1) Enterprises where control exists - Nil

(2) Others

(a) Associates:

1) Hopewell Industries and Hotels Private Limited

2) Unicornn Wind Power Private Limited

3) Unicornn Powergen Private Limited

4) Angelfall Energy Private Limited

5) Shree Uttam Power & Steel Private Limited

6) DJIL Investment & Export Private Limited

7) Roseflow Hotels & Resort Private Limited

8) Firstcorp Textiles Limited

(b) Key Management Personnel

(i) Govind Sharda

(ii) A R Mishra

(iii) Munish Tyagi

B) Disclosure of transaction during the year between the company and related parties and the status of outstanding balance as on 31.03.2010 :-

(Rs. in Lacs)

Details of Transactions	Controlling/ Associates		Key Management Personnel		Total	
	2010	2009	2010	2009	2010	2009
Remuneration						
- Govind Sharda	-	-	-	1.00	-	1.00
- A R Mishra	-	-	2.98	6.62	2.98	6.62
Consultancy Charges						
- Munish Tyagi	-	-	-	0.15	-	0.15
Loans Granted						
- Unicornn Powergen Pvt Ltd	117.09	117.09	-	-	117.09	117.09
- Rosseflow Hotels & Resort Private Limited	4.23	4.23	-	-	4.23	4.23
- Unicornn Wind Power Private Limited	0.94	0.94	-	-	0.94	0.94

- C) The loan and advance granted of Rs. 122.26 Lacs to three parties are interest free and there is no business transaction taken place with these parties during the year.

10. Segment Accounting Policy

The Company operates in Textile, Computer Software, Trading in Shares and Derivatives and Commission Business. The Segment Reporting as required under Accounting Standard 17 issued by Institute of Chartered Accountant of India is as under. There is no reportable geographical segment either.

Segment wise Report

(Rs. in Lacs)

Sr.	Particulars	2009-2010					2008-2009				
		Textiles	Computer Hardware and Software	Trading in Shares and Derivative	Commission Business	Total	Textiles	Computer Softwares	Trading in Shares and Derivative	Commission Business	Total
1	Segment Revenue	-	18.85	25.20	-	44.05	305.36	(34.30)	27.70	159.40	458.15
	Total Revenue	-	18.85	25.20	-	44.05	305.36	(34.30)	27.70	159.40	458.15
2	Segment Results	-	0.58	0.07	-	0.65	0.25	(34.30)	(99.47)	159.40	25.87
	Unallocated (Expenses)/Income					(14.62)					(39.76)
	Operating Profit/(Loss)					(13.97)					(13.89)
	Speculative Loss in Commodity					(18.51)					(68.09)
	Interest/Other Incomes					3.97					0.09
	Taxes					-					0.48
	Total Profit/(Loss) After Tax					(28.51)					(81.41)
	OTHER INFORMATION										
3	Segment Assets	0.43	30.18	0.60	-	31.21	816.23	1.25	2.51	155.89	975.90
	Unallocated Asset					561.87					507.77
	Total Assets					593.07					1,483.67
4	Segment Liability	(0.25)	1.16	3.85	-	4.76	815.56	1.20	81.95	-	898.71
	Unallocated Liability					49.52					49.62
	Total Liability					54.28					948.33
5	Capital Expenditure					2.98					34.96
6	Depreciation					1.98					6.70
7	Other Non Cash Expenses					-					-

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

12. Figures have been rounded off to the nearest Rupee.

13. Earning Per Share

The computation of earning per share is as follows:

Particulars	(Rs. in Lacs)	
	Year ended 31.03.2010	Year ended 31.03.2009
Profit / (Loss) attributable to equity share holders	(28.27)	(81.41)
Basic weighted average number of shares during the year	579.48	579.48
Total Shares issued	579.48	579.48
Basic EPS (Rs.)	(0.05)	(0.14)
Diluted EPS (Rs.)	(0.05)	(0.14)

14. Additional information pursuant to the provisions of paragraph 3 and 4 of part II of Schedule VI of the Companies Act, 1956:

STATISTICAL DATA :

	For the year ended 31.03.2010	For the year ended 31.03.2009
a. Licensed and Installed Capacity :		
Licensed Capacity	NA	NA
b. Production, Turnover and Stocks :		
Computers (Nos.)		
Opening Stock	Nil	Nil
Purchase	150	Nil
Sale :	100	Nil
Closing Stock	50	Nil
Textiles (Mtrs.)		
Opening Stock	Nil	Nil
Purchase/Production	Nil	509575.00
Sale :	Nil	509575.00
Closing Stock	Nil	Nil
Shares (Nos.)		
Opening Stock	1321	Nil
Purchase :	40469	63359
Sale	37710	62038
Closing Stock	4080	1321
c. Value of Raw Material Stores and spare and Components consumed :	NA	NA
d. CIF Value of imports	Nil	Nil
e. Expenditure in foreign currency	Nil	Nil
f. Earning in foreign currency	Nil	Nil

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

(Rs. in Lacs)

	Year ended 31.03.2010	Year ended 31.03.2009
1. Registration details		
Registration No.	21534	21534
State Code	55	55
Balance sheet date	31.03.2010	31.03.2009
2. Capital Raised During the year		
Public issue	Nil	Nil
Rights issue	Nil	Nil
Bonus issue	Nil	Nil
Private placement	Nil	Nil
3. Position of Mobilization of Fund		
Total liabilities	594.48	594.48
Total assets	594.48	594.48
Sources of funds		
Paid-up capital	579.48	579.48
Reserve and Surplus	Nil	Nil
Secured Loans	Nil	Nil
Unsecured loans	15.00	15.00
Application of funds		
Net fixed assets	2.98	34.96
Investment	0.10	0.10
Net current assets	538.70	535.22
Deferred Tax Assets	3.75	3.51
Miscellaneous Expenses	Nil	Nil
Profit and Loss Account	48.95	20.68
4. Performance of the Company		
Turnover	48.02	458.24
Total expenditure	76.53	540.13
Profit/(loss) before tax	(28.51)	(81.89)
Profit/(loss) after tax	(28.27)	(81.41)
Earning per share in Rs.	(0.05)	(0.14)
Dividend rate %	Nil	Nil
5. Generic Names of Principal Products/Services of The Company (as per monetary terms)		
Item Code No. (ITC Code)	854210	85390091
Product description	Computer Hardware	Computer Software
Item Code No. (ITC Code)	-	52051110
Product description	-	Textile

AUDITORS' REPORT

As per our Audit Report of even date Attached

For and on behalf of
M/s MANY & ASSOCIATES
 Firm Regd. No. 007351N
 Chartered Accountants

For and on behalf of the Board
 For **SAARC NET LIMITED**

Sd/-
VIJAY KUMAR JAIN
 Partner
 M. No. 087502

Sd/-
Govind Sharda
 Director

Sd/-
Sagar Jain
 Whole Time Director

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

Place : New Delhi
 Date : 31-08-2010

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2010

Particulars	31.03.2010 (In Rupees)	31.03.2009 (In Rupees)
A. CASH FLOW FROM OPERATIONAL ACTIVITIES:		
Net profit/(loss) before tax and extraordinary items	(2,851,358)	(8,189,140)
Adjustments		
Add: Speculative Loss on Commodity	1,851,115	6,808,844
Add: Depreciation	198,366	669,673
Add: (Profit) / loss on sale of fixed assets / Investment	-	971,925
Add: Preliminary expenses written off	-	-
Operating profit before working capital changes	(801,877)	261,302
Changes in working capital		
Inflow/(outflow)		
(Increase)/Decrease in current assets	96,119,730	(20,092,004)
Increase/(Decrease) in current liabilities	(89,405,629)	37,051,730
(Increase)/Decrease in net current assets	6,714,101	16,959,726
Cash generated from operations	5,912,224	17,221,028
Tax Paid	-	79,845
Net cash flow from operating activities	5,912,224	17,141,183
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Inflow (Outflow)		
Purchase of fixed asset	-	-
Capital Work in Progress	3,000,486	(475,000)
Sale of Fixed Asset	-	195,000
Proceeds from sale of investment	-	-
(Increase)/Decrease in loans and advances	(7,089,684)	(31,675,422)
Net cash flow from investing activities	(4,089,198)	(31,955,422)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Inflow/(outflow)		
Process from issue of Share capital	-	-
Proceeds from long term borrowing (Unsecured)	-	1,500,000
Net cash flow from financing activities	-	1,500,000
D. CASH FLOW FROM SPECULATION BUSINESS:		
Speculative Loss on Commodity	1,851,115	6,808,844
Net increase in cash or cash equivalents (A+B+C)	(28,089)	(20,123,083)
Cash or cash equivalents at the beginning of the year	347,122	20,470,205
Cash or cash equivalents at the end of the year	319,033	347,122

AUDITORS' REPORT

As per our Audit Report of even date Attached

For **MANV & ASSOCIATES**
 Firm Registration Number: 007351N
 Chartered Accountants

For and on behalf of the Board
 For **SAARC NET LIMITED**

Sd/-
VIJAY KUMAR JAIN
 Partner
 M. No. 087502

Sd/-
Govind Sharda
 Director

Sd/-
Sagar Jain
 Whole Time Director

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

Place : New Delhi
 Date : 31-08-2010

SAARC NET LIMITED

Regd. Office : 39 Sadhana Enclave 1st Floor, Panchsheel Park, New Delhi-110017

PROXY FORM

Regd. Folio No. _____

No. of shares Held _____

I/We _____ of _____ being member of Saarc Net Limited hereby appoint _____ of _____ or failing him _____ of _____ as my/our proxy to attend and vote for me/us on my/our behalf at the 15th Annual General Meeting of the Company to be held on Thursday, the 30th September, 2010 at 10.30 AM at 39 Sadhana Enclave 2nd Floor, Panchsheel Park, New Delhi-110017 thereof.

Signed this _____ day of _____ 2010.

Re. 1/- Stamp Signature

Notes:

- The form should be signed across the stamp as per specimen signature.
- The proxy form duly completed must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the aforesaid Meeting.

SAARC NET LIMITED

Regd. Office : 39 Sadhana Enclave 1st Floor, Panchsheel Park, New Delhi-110017

ATTENDANCE SLIP

(to be handed over at the Entrance of the Meeting Hall)

Member's Folio No. _____

No. of shares Held _____

I hereby record my presence at the 15th Annual General Meeting of the Company being held on Thursday, the 30th September, 2010 at 10.30 AM at 39 Sadhana Enclave 2nd Floor, Panchsheel Park, New Delhi-110017 thereof.

Name of the Attending Member (in Block Letters): _____

Name of the Proxy: _____
(to be filled in if the proxy attends instead of the member)

Signature of the Member/Proxy: _____

*To be signed at the time of handing over this slip

BOOK POST

If Undelivered please return to :

SAARC NET LIMITED

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