

18th
Annual Report
2012-2013

STERLING WEBNET LIMITED
(Formerly known as 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	05
Auditors' Report	10
Balance Sheet	14
Profit and Loss Account	15
Cash Flow Statement	16
Notes forming part of the financial statements	17

NOTICE

NOTICE is hereby given that the **18th Annual General Meeting** of the Members of **STERLING WEBNET LIMITED (Formerly known as SAARC NET LIMITED)** will be held at the Registered Office of the Company at **36, GOLLA MARKET, BEHIND GOLCHA CINEMA, DARYAGANJ, DELHI-110002, INDIA** on **Monday, 30th day of September, 2013 at 10:00 A. M.** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt Audited Balance Sheet as at **31st March, 2013** 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 ANIL CHANDULAL MISTRY** who retires by rotation and being eligible, offers him-self for re-appointment.
3. To appoint Auditor and to fix their remuneration.

**By Order of the Board
For, STERLING WEBNET LIMITED**

**PLACE: DELHI
DATE: 31.08.2013**

**(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. The Register of Members and Share Transfer Register of the Company will remain closed from 23rd September, 2013 to 30th September, 2013 (Both Days Inclusive).
3. Bigshare Services Private Limited at G-10, Left Wing, Amrutha Ville Appartments, Opp. Yashoda Hospital, Raj Bhavan Road, Hyderabad-500082 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.
4. 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. ANIL CHANDULAL MISTRY is Director of the Company. He has rich experience in the field of Marketing and HR. He has been associated with the Company w.e.f. 15.01.2011. He is Member of the Audit Committee and Share Transfer and Grievances Committee of the Company. MR. ANIL CHANDULAL MISTRY retires by rotation and being eligible offers himself for re-appointment.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors here by present the 18th Annual Report on business and operations of the Company together with the Audited statements of Accounts for the financial year ended on 31st March 2013.

FINANCIAL PERFORMANCE:

Key aspects of Company' financial performance for the year 2012-13 is tabulated below:

[Amount in Rupees]

Particular	2012-13	2011-12
Total Income	(120000)	3285977
Total Expenditure	327847	3059692
Profit/(Loss) Before Extraordinary items and Taxation	(447847)	226285
Extraordinary items	Nil	Nil
Profit/(Loss) before Tax (PBT)	(447847)	226285
Less: Current Tax and Differed Tax inc. Provision written off	Nil	(70424)
Net Profit/(Loss) after Tax for the year	(447847)	155861

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. 120000/- and has made net loss of Rs. 447847/- for the year ended 31st March, 2013. 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.

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. ANIL CHANDULAL MISTRY, Director of the Company is retires by rotation at the ensuing Annual General Meeting and being eligible, offer himself for reappointment.

CHANGE OF NAME

The name of the Company has been changed to **STERLING WEBNET LIMITED** in terms of Certificate dated Fourth day of March Two Thousand Thirteen issued by the Registrar of Companies pursuant to approval of the shareholders in Extra Ordinary General Meeting (EOGM) held on 25th day of August 2013. The name of the company was changed from **SAARC NET LIMITED** to **STERLING WEBNET LIMITED**.

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 and to 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, STERLING WEBNET LIMITED**

**PLACE: DELHI
DATE: 31.08.2013**

**(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****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, 2013. 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 2012-13 the Board met 6 (Six) times on 24.05.2012, 21.07.2012, 14.08.2012, 01.09.2012, 09.11.2012 and 04.02.2013. 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	6	6	Yes
MR. MAHENDRA SOLANKI	Non Executive & Independent	6	6	Yes
Mr. SAGAR JAIN	Whole-Time Director	6	6	Yes
Mr. VINOD PORWAL	Non Executive & Independent	6	6	Yes
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

During the year the Audit Committee met 4 times on 24.05.2012, 14.08.2012, 09.11.2012 and 04.02.2013 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 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.
17th 2011-12	36, Gola Market , Behind Golcha Cinema, Daryaganj, Delhi-110002, India	29.09.2012	10:30 A.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
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.			

Location and time where Extraordinary General Meetings were held for last three years:

Financial Year	Location	Date	Time A.M./ P.M.	Particulars of the Special Resolution
2012-13	36, Gola Market , Behind Golcha Cinema, Daryaganj, Delhi-110002	25.08.2012	11.00 A.M.	Change of name of Company
2011-12	--	--	--	--
2010-11	--	--	--	--
The above resolution which was put to vote by show of hands was passed unanimously.				

6. DISCLOSURES

- o 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.
- o 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.
- o 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. CEO / CFO Certification under clause 41 and clause 49 of the Listing Agreement with Stock Exchanges have been submitted to the Board by the CEO and CFO.

9. GENERAL SHAREHOLDERS INFORMATION

Financial Year	1st April to 31st March	
Date and time of Annual General Meeting	Monday, 30th September, 2013 at 10:00 A.M.	
Venue of Annual General Meeting	36 Gola Market , Behind Golcha Cinema, Daryaganj, Delhi-110002, India	
Dates of Book Closure	23.09.2013 to 30.09.2013	
Listing on Stock Exchange	BSE Limited, Mumbai	
Stock Code and Scrip ID	531901 (BSE) and STERWEB (BSE)	
Demat ISIN No.	INE313B01025	
Tentative Calendar for financial year ending 31st March, 2014		
Quarterly Financial Results	Date of Board Meeting	
First Quarterly Results	Last week of July,2013	
Second Quarterly Results	Last week of October,2013	
Third Quarterly Results	Last week of January,2014	
Fourth Quarterly Results	Last week of April,2014	

10. CATEGORIES OF SHAREOWNERS AS ON 31.03.2013

Category	No. of Shares Held	Voting Strength (%)
Promoters	40218	0.07
Resident Individuals	35971129	62.07
Financial Intuitions/ Banks	Nil	0.00
Bodies Corporate	19953905	34.43
NRIs/ OCBs	1981750	3.42
Directors Relatives	Nil	0.00
Others (Clearing Members)	998	0.00
Total	57948000	100.00

11. DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2013

Share Balance	Holders	% of Total	Total Shares	% of Total
0001- 5000	764	22.23	194824	0.34
5001- 10000	686	19.96	650909	1.12
10001- 20000	473	13.76	860367	1.48
20001- 30000	239	6.95	650768	1.12
30001- 40000	105	3.05	399298	0.69
40001-50000	291	8.47	1433366	2.47
50001- 100000	373	10.85	3191891	5.51
100001 and above	506	14.72	50566577	87.26
Total	3437	100.00	57948000	100.00

12. STOCK MARKET DATA

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

Month	Highest (Rs)	Lowest (Rs)
April, 2012	0.55	0.48
May, 2012	0.61	0.51
June, 2012	0.58	0.49
July, 2012	0.67	0.51
August, 2012	0.78	0.58
September, 2012	0.74	0.55
October, 2012	0.57	0.42
November, 2012	0.47	0.40
December, 2012	0.54	0.44
Jan, 2013	0.56	0.37
Feb., 2013	0.36	0.21
March, 2013	0.25	0.20

13. 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

14. 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.

15. 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.

16. 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

17. DECLARATION:

CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT FOR BOARD OF DIRECTORS

To

The Members of STERLING WEBNET LIMITED (Formerly known as SAARC NET LIMITED)

New Delhi

This is to confirm that the Board has laid down a Code of Conduct for all Board members and Senior Management of the Company.

The Code of Conduct has also been posted on the website of the Company. It is further confirmed that all Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the year ended 31st March, 2013, as envisaged in Clause 49 of the Listing agreement with Stock Exchanges.

**For and on Behalf of the Board
For, STERLING WEBNET LIMITED**

**PLACE: DELHI
DATE: 31.08.2013**

**(ANIL CHANDULAL MISTRY)
CHAIRMAN**

CERTIFICATION ON CORPORATE GOVERNANCE

The Members of STERLING WEBNET LIMITED (Formerly known as SAARC NET LIMITED)

We have examined the compliance of conditions of Corporate Governance by **STERLING WEBNET LIMITED (Formerly known as SAARC NET LIMITED)** for the year ended 31st March, 2013 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: 31.08.2013

CA RAKESH PURI
PARTNER
M. No.: 092728

AUDITORS' REPORT TO THE MEMBERS OF STERLING WEBNET LIMITED (Formerly known as SAARC NET LIMITED)

Report on the Financial Statements

We have audited the accompanying financial statements of **STERLING WEBNET LIMITED (Formerly known as SAARC NET LIMITED)** which comprise the Balance Sheet as at 31 March 2013 and the Statement of Profit and Loss and for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position & financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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 the balance sheet, of the state of affairs of the Company as at 31 March 2013;
- ii) in the case of the statement of profit and loss, of the profit for the year ended on that date;
- iii) In the case of cash flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003, as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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, Statement of Profit and Loss dealt with by this Report are in agreement with the books of account .
- d. in our opinion, the Balance Sheet & Statement of Profit and Loss comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956; and
- e. on the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

PLACE: LUDHIANA
DATE: 31.08.2013

CA RAKESH PURI
PARTNER
M. No.: 092728

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of STERLING WEBNET LIMITED (Formerly known as SAARC NET LIMITED) on the accounts of the company for the year ended 31st March, 2013.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.

(c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
2. company does not have inventories during the year hence other sub clause not applicable
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.

(e) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses (f) & (g) are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.

b) As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act does not exceeds five lacs rupees in a financial year therefore requirement of reasonableness of transactions does not arises.
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
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 the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2013 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.

10. The accumulated losses at the end of the financial year are not more than 50% of its net worth and it has incurred cash losses of Rs 405,000/- during the financial year under report and it has also incurred cash losses in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. According to information and explanations given to us, the Company is trading in Shares, Mutual funds & other Investments. Proper records & timely entries have been maintained in this regard & further investments specified are held in their own name.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
19. The Company has no outstanding debentures during the period under audit.
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

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

PLACE: LUDHIANA
DATE: 31.08.2013

CA RAKESH PURI
PARTNER
M. No.: 092728

BALANCE SHEET AS AT 31ST MARCH 2013			
(Amount in Rupees)			
Particulars	Notes	March 31, 2013	March 31, 2012
I. EQUITY AND LIABILITIES			
<u>(1) Shareholder's Funds</u>			
(a) Share Capital	2	57948000	57948000
(b) Reserves and Surplus	3	(5132771)	(4684924)
<u>(2) Share Application money pending allotment</u>		00	00
<u>(3) Non-Current Liabilities</u>		00	00
<u>(4) Current Liabilities</u>			
(a) Trade Payables	4	3284100	2957150
(b) Short-Term Provisions	5	87000	87000
Total Equity & Liabilities		56186329	56307226
II. ASSETS			
<u>(1) Non-Current Assets</u>			
(a) Fixed Assets	6		
(i) Gross Block		1180206	1180206
(ii) Depreciation		1115935	1073088
(iii) Net Block		64271	107118
(b) Non-current investments	7	10000	10000
(c) Deferred tax assets (net)		435364	435364
(d) Long term loans and advances	8	38918702	38918702
(e) Other Non Current Assets	9	16427536	16427536
<u>(2) Current Assets</u>			
(a) Inventories		00	00
(b) Trade receivables		00	00
(c) Cash and cash equivalents	10	19259	97309
(d) Short-term loans and advances	11	311197	311197
Total Assets		56186329	56307226
Notes to Accounts 1 to 29			
Schedules referred to above and notes attached there to form an integral part of Balance Sheet			
This is the Balance Sheet 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 SOLANKI
PARTNER		(DIRECTOR)	(DIRECTOR)
Membership No. 092728			
Place: Ludhiana		Place: Delhi	
Date: 31.08.2013		Date: 31.08.2013	

PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED ON 31ST MARCH, 2013				
(Amount in Rupees)				
Sr. No	Particulars	Notes	2012-13	2011-12
I	Revenue from operations	12	0	2375600
II	Other Income	13	(120000)	910377
III	III. Total Revenue (I +II)		(120000)	3285977
IV	Expenses:			
	Purchase Electrical Goods	14	00	1403800
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	15	00	934459
	Employee Benefit Expense	16	155000	300200
	Financial Costs	17	50	17934
	Depreciation and Amortization Expense	18	42847	71412
	Other Administrative Expenses	19	129950	331887
	Total Expenses (IV)		327847	3059692
V	Profit before exceptional and extraordinary items and tax	(III - IV)	(447847)	226285
VI	Exceptional Items (Excess provision Added Back)		00	00
VII	Profit before extraordinary items and tax		(447847)	226285
VIII	Extraordinary Items		00	00
IX	Profit Before Tax (VII - VIII)		(447847)	226285
X	Tax expense:			
	(i) Current Tax			(87000)
	(ii) Deferred tax			16576
	Provision Written off		00	00
XI	Profit(Loss) from the period from continuing operations	(IX-X)	(447847)	155861
XII	Profit/(Loss) from discontinuing operations		00	00
XIII	Tax expense of earlier period		00	00
XIV	Profit/(Loss) from Discontinuing operations	(XII - XIII)	(447847)	155861
XV	Profit/(Loss) for the period (XI + XIV)		(447847)	155861
XVI	Earning per equity share:			
	(1) Basic		(0.01)	0.00
	(2) Diluted		(0.01)	0.00
Notes to Accounts		1 to 29		
Notes referred to above and notes attached there to form an integral part of Profit & Loss Statement This is the Profit & Loss 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 SOLANKI	
PARTNER		(DIRECTOR)	(DIRECTOR)	
Membership No. 092728				
Place: Ludhiana		Place: Delhi		
Date: 31.08.2013		Date: 31.08.2013		

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013		
(Amount in Rupees)		
	2012-13	2011-12
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Tax and Extra Ordinary Items	(447847)	226285
Adjustments For Depreciation	00	00
Add: Depreciation	42847	71412
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	(405000)	297697
Adjustment For		
(Increase)/Decrease in Trade Receivable	00	8018920
(Increase)/Decrease in inventory	00	934459
(Increase)/Decrease in Loans & Advances	00	(70458)
(Increase)/Decrease in other Noncurrent assets	00	(16427536)
Increase/(Decrease) in current liabilities & Provision	326950	(710960)
(Increase)/Decrease in net current assets	326950	(8255575)
Cash generated from operations	(78050)	(7957878)
Tax Paid	00	00
Net cash from Operating Activities	(78050)	(7957878)
B Cash Flows From Investing Activities	00	00
C Cash Flow From Financing Activities		
Proceeds from long term borrowing (Unsecured)	00	(2000000)
Proceeds from long term Loans & Advances	00	9738142
Net Cash Received From Financing Activities	00	7738142
Net Increase/(Decrease) in Cash & Cash Equivalent	(78050)	(219736)
Opening cash & cash equivalent	317045	317045
Closing cash & cash equivalent	238995	97309
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 SOLANKI
PARTNER	(DIRECTOR)	(DIRECTOR)
Membership No. 092728		
Place: Ludhiana	Place: Delhi	
Date: 31.08.2013	Date: 31.08.2013	

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	Rs.	Rs.
		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 5,79,48,000 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	Rs.	Rs.
		Current Year	Previous Year
	Surplus (Profit & Loss Account)	(5132771)	(4684924)
	Balance brought forward from previous year	(4684924)	(4840785)
	Less: Tax on Regular Assessment Paid	00	00
	Add: Profit for the period	(447847)	155961
	Total in	(5132771)	(4684924)

Note : 4 Trades Payable

1	Trade Payables For Goods	2606952	2450000
2	Trade Payables For Others	677148	507150
	Total in	3284100	2957150

Note : 5 Short Term Provisions

	Provision for Taxation	87000	87000
	Total in	87000	87000

Note : 7 Non Current Investment

	Investment in NSC	10000	10000
	Total in	10000	10000

Note : 8 Long Term Loans and Advances

1	Other Loans & Advances	38918702	38918702
	Total in	38918702	38918702

Note : 9 Other Non Current Assets

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

Note : 10 Cash & Cash Equivalent

1	Cash-in-Hand	1761	79761
	Sub Total (A)	1761	79761
2	Bank Balance	17498	17548
	Sub Total (B)	17498	17548
	Total [A + B + C]	19259	97309

Note : 6 Fixed Asset

Particulars	Rate	Gross Block				Depreciation				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 31.3.2013	WDV as on 31.03.2012
<u>Tangible Assets</u>											
Computer	40.00%	1,180,206	00	00	1,180,206	1073088	42847	00	1115935	64271	107118
SUB TOTAL (A)		1,180,206	00	00	1,180,206	1073088	42847	00	1115935	64271	107118
(Previous Year)		1,180,206	00	00	1,180,206	1001676	71412	00	1073088	107118	178530

Note : 11 Short Terms Loans and Advances

Sr. No	Particulars	Rs.	
		Current Year	Previous Year
1	Others	153589	153589
2	Advance Recoverable in cash or in kind or for value to be considered good		
	Advance Income Tax/Refund Due & others	157608	157608
	Total in	311197	311197

Note : 12 Revenue from Operations

1	Sale of Computer Software	00	2,375,600
	Total in	00	2,375,600

Note: 13 Other Income

1	Interest Income		910,377
2	Loss on sale of Investment	(120000)	00
	Total in	(120000)	910,377

Note : 14 Purchases

1	Purchase	00	1,403,800
	Total in	00	1,403,800

Note : 15 Change in Inventories

1	Opening Stock	00	934,459
2	Closing Stock	00	00
	Total in	00	934,459

Note : 16 Employment Benefit Expenses

1	Salaries, Bonus, PF & ESIC	155000	165,200
2	Directors Remuneration	00	135,000
3	Staff Welfare		00
	Total in `	155000	300,200

Note:17 Financial Cost

1	Interest on Other loans	00	16,986
2	Bank Charges	50	948
	Total in	50	17,934

Note :18 Depreciation & Amortised Cost

1	Depreciation	42847	71,412
2	Preliminary Expenses W/O	00	00
	Total in `	00	71,412

Note : 19 Other Administrative Expenses		Rs.	Rs.
Sr. No	Particulars	Current Year	Previous Year
1	Advertisement Exp.	0	16974
2	Auditors Remuneration :	10000	10000
3	Books & Periodicals	0	6500
4	Conveyance & Travelling Exp.	22500	28000
5	Donation	0	1,100
6	Filing Fees	0	3000
7	Legal Expenses	0	67170
8	Listing Fees	16952	33325
9	Postage & Telegram Exp.	20000	23700
10	Printing & Stationery Exp.	22498	41700
11	Registration Membership Exp.	20,000	60,818
12	Sundry expenses	13000	25800
13	Telephone Expenses	5000	13800
	Total in `	129950	331887

Note: 20

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: 21

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: 22

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

Note: 23

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 31.03.13 is as follows:-

Particulars	Amount in Rs	
	2012-13	2011-12
Deferred Tax Assets	Rs.435364/-	Rs.418788/-
Deferred Tax Assets during the year	Nil	Rs.16576/-
Provision for Deferred Tax Assets	Rs.435364/-	Rs.435364/-

Note: 24

The Company has paid Managerial Remuneration as follow:

Particulars	Amount in Rs	
	2012-13	2011-12
Salary to Whole Time Director	Nil	Rs.135000/-

Note: 25

Remuneration to Auditors:

Particulars	Amount in Rs	
	2012-13	2011-12
Audit fees	Rs. 10000/-	Rs. 10000/-
Taxation Matters	Nil	Nil
Others	Nil	Nil

Note: 26

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: 27

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

Note: 28

Figures have been rounded off to the nearest Rupee.

Note: 29 Earnings per Share

	Year ended 31.03.2013	Year ended 31.03.2012
Profit / (Loss) attributable to equity share holders (Rs. In Lacs)	(4.47)	1.56
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 '29'

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: 31.08.2013

ANIL C MISTRY

(DIRECTOR)

Place: Delhi

Date: 31.08.2013

MAHENDRA A SOLANKI

(DIRECTOR)

STERLING WEBNET LIMITED
(Formally Known as SAARC NET LIMITED)

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

18TH ANNUAL GENERAL MEETING
On 30.09.2013 at 10.00 a.m. at registered office of the company

DP. Id*		Name & address of the registered shareholder
Client Id*		
Regd. Folio No.		

* Applicable for shareholding in electronic form.

I/We certify that I/We am/are a registered shareholder / proxy for the registered shareholder of the Company. I/We hereby record my/our presence at the 18th Annual General Meeting of the Company.

*Signature of Member/s/ Proxy***NOTE:** A member or his duly appointed Proxy willing to attend the meeting must fill-up this Admission Slip and hand over at the entrance.

✂-----Cut Here-----

FORM OF PROXY**STERLING WEBNET LIMITED**
(Formally Known as SAARC NET LIMITED)

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

18TH ANNUAL GENERAL MEETING
On 30.09.2013 at 10.00 a.m. at registered office of the company

I/We
 \of.....
 Member / Members of STERLING WEBNET LIMITED hereby appoint..... of
of failing him/her..... of
as my/ our Proxy to attend and vote for me/us on my/ our behalf at the 18th
 Annual General Meeting of the Company to be held on 30.09.2013 at 10:00 a.m. at registered office of the company
 and at any adjournment thereof.

Signed on thisday of2013.

Affix Revenue Stamp

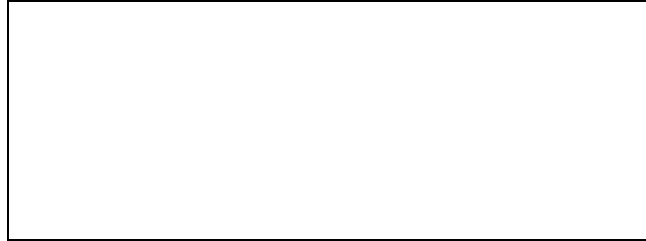
Signature

Ref. Folio No		Demat Account No		D.P. ID No	
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NOTE:

1. The Proxy need NOT be a Member.
2. The Proxy Form must be deposited at the Registered Office not less than 48 hours before the scheduled time for holding the meeting.

BOOK-POST



**If undelivered, please return to:
STERLING WEBNET LIMITED
(Formally known as SAARC NET LIMITED)**

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