THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a shareholder(s) of **Saarc Net Limited**. If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or Manager/Registrar to the Offer. In case you have recently sold your shares in the Company, please hand over this Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement, Form of Withdrawal and Transfer Deed to the Member of Stock Exchange through whom the said sale was effected.

OPEN OFFER
By
Mr. Govind Sharda alias **Govind Lal Sarda** ('Acquirer')
[C-601, Lovely Home, CGHS, Sector-5, Dwarka, New Delhi-110075; Tel. No: 011-26015765]
and
Mr. Ashish Agarwal ('Person Acting in Concert' or 'PAC')
[Citadal Apartments, 2nd Floor, 1A/8, Cenotaph II lane, Teynampet, Chennai-600018; Tel. No:044-24313692]

to acquire 1,15,89,600 equity shares of Re. 1/- each representing 20% of the voting capital at a price of Rs. 1.05 per share, of

SAARC NET LIMITED (SNL)
Regd. Off.: 5/A, Vengalrao Nagar, Hyderabad-500038.
Tel: 040-30913498; Fax: 040-23813780;

These shares will be acquired in cash, in accordance with regulation 20 (2)(a) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereof.

This Offer is being made in compliance with regulation 10 & 12 and other provisions of Chapter III and in compliance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and amendments thereof (hereinafter referred to as 'Regulations').

The Offer along with any obligation relating to payment for, and purchase of, the shares tendered is subject to the receipt of necessary approval(s), if any, from Reserve Bank of India ('RBI') under Foreign Exchange Management Act, 1999 ('FEMA') and subsequent amendments there to. There are no other statutory approvals required to acquire shares that are tendered pursuant to this Offer.

Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement / Letter of Offer, can withdraw the same up to three working days prior to the date of Closure of the Offer i.e. on or before December 14, 2006.

If there is any upward revision in the Offer Price/Size at any time up to seven working days prior to the date of Closure of the Offer i.e. December 8, 2006 or withdrawal of the Offer in terms of the regulation, the same would also be informed by way of a Public Announcement in the same newspapers where the original Public Announcement had appeared. Such revised Offer Price would be payable for all the shares tendered any time during the Offer & accepted under the Offer.

The Offer is not conditional and not subject to any minimum level of acceptance from Shareholders.

There was no Competitive Bid.

As the Offer Price cannot be revised during 7 working days prior to the Closing date of the Offers/ Bids, it would, therefore, be in the interest of the shareholders to wait till the commencement of that period to know the final Offer Price of each bid and tender their acceptance accordingly.

The Public Announcement, Corrigendum to Public Announcement and this Letter of Offer including the Form of Acceptance cum Acknowledgement and Form of Withdrawal would also be available on SEBI's website at www.sebi.gov.in.

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
ASHIKA CAPITAL LIMITED 1008, 10th Floor, Raheja Centre, 214, Nariman Point, Mumbai-400021. Tel: 022-66111700; Fax:022-66111710 E-Mail: mbd@ashikagroup.com **Contact Person: Mr. Narendra Kumar Gamini**	**BIGSHARE SERVICES PVT. LTD.** E-2, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai-400072; Tel.: 022-28470652/28470653; Fax: 022-28475207; E-mail: bigshare@bom7.vsnl.net.in; **Contact Person: Mr. Subodh Mohan Adarkar**

A SCHEDULE OF SOME OF THE MAJOR ACTIVITIES RELATING TO THE OFFER IS GIVEN BELOW:

Activities	Original Date & Day	Revised Date & Day
Public Announcement	September 30, 2006 (Saturday)	September 30, 2006 (Saturday)
Specified Date (for the purpose of determining the name of shareholders to whom the Letter of Offer will be sent)	October 6, 2006 (Friday)	October 6, 2006 (Friday)
Last Date for a Competitive Bid, if any	October 21, 2006 (Friday)	October 21, 2006 (Saturday)
Corrigendum to the Public Announcement	November 20, 2006 (Monday)	November 20, 2006 (Monday)
Date by which the Letter Of Offer to be Despatched to shareholders	November 13, 2006 (Monday)	November 25, 2006 (Saturday)
Date of Opening of the Offer	November 22, 2006 (Wednesday)	November 30, 2006 (Thursday)
Last date for revising the Offer Price/ Number of Shares	November 30, 2006 (Thursday)	December 8, 2006 (Friday)
Last date for Withdrawal of Acceptance by Shareholders	December 6, 2006 (Wednesday)	December 14, 2006 (Thursday)
Date of Closing of the Offer	December 11, 2006 (Monday)	December 19, 2006 (Tuesday)
Date by which communicating rejection/acceptance and despatch of Cheques/Demand Drafts towards payment of consideration to be completed	December 26, 2006 (Tuesday)	January 3, 2007 (Wednesday)

RISK FACTORS:

Relating to the Transaction:

1. The Offer involves an offer to acquire 20% of voting capital of Saarc Net Limited from its shareholders. In the case of oversubscription in the Offer, acceptance would be determined on proportionate basis as per the Regulations and hence there is no certainty that all the shares tendered by the shareholders in the Offer will be accepted.

2. The shares tendered in the Offer will be held in trust by Registrar to the Offer, till the completion of the Offer formalities. Accordingly, the Acquirer/PAC makes no assurance with respect to the market price of the shares both during the Offer period and upon the completion of the Offer, and disclaims any responsibility with respect to any decision by the shareholders of Saarc Net Limited on whether to participate or not to participate in the Offer.

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1. ABBREVIATIONS / DEFINITIONS

Acquirer	Mr. Govind Sharda alias Govind Lal Sarda
BSE	Bombay Stock Exchange Limited, Mumbai
Eligible Persons for the Offer	All owners of shares registered or unregistered of SNL (who own shares at any time prior to the Closure of the Offer) except Acquirer/PAC and the Sellers
FEMA	Foreign Exchange Management Act, 1999
Form of Acceptance	Form of Acceptance cum Acknowledgement
Form of Withdrawal	Form of Withdrawal cum Acknowledgement
HSE	The Hyderabad Stock Exchange Limited, Hyderabad
LOO or Letter of Offer	Offer Document
Manager to the Offer	Ashika Capital Limited
Negotiated Price	Re. 0.30 and Re. 0.40 per share as the case may be
Non-Promoter Sellers	M/s. Swain Finance & Trading Pvt. Ltd., M/s. Infotech Infin & Trading Pvt. Ltd., M/s. Golkonda Finance & Trading Pvt. Ltd., Mr. K. Sudhir , Mr. P. Madhu Mohan, Mr. J. Venkat Surpa Raju and Ms. A.S. Laxmi
Offer	Cash Offer being made by the Acquirer/PAC to acquire 1,15,89,600 Equity Shares of Re. 1/- each representing 20% of voting capital of SNL
Offer Price	Rs. 1.05 per share
PA / Public Announcement	Announcement of the Offer made by Acquirer/PAC on September 30, 2006 and November 20, 2006
PAC / Person Acting in Concert	Mr. Ashish Agarwal
Promoter Sellers	Mr. V. Raghu , Mr. K. S. Raju, Mr. S. H. Rao, Mr. P.V.R. Reddy and Others
SNL/Target Company	Saarc Net Limited
RBI	Reserve Bank of India
Registrar to the Offer / Registrar	Bigshare Services Pvt. Ltd.
SEBI	Securities and Exchange Board of India
SEBI (SAST) Regulations or Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 1997 and subsequent amendments thereof
Specified Date	Date for the purpose of determining the names of Shareholders, as appearing in the Register of Members of SNL, to whom the Letter of Offer should be sent, i.e. October 6, 2006

CURRENCY OF PRESENTATION

In this Letter of Offer, all references to “Rs.” are to Indian Rupees. In this Letter of Offer, any discrepancy in any table between the total and sums of the amount listed are due to rounding off.

2. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF SAARC NET LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER/PAC OR THE COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER/PAC ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER/PAC DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER ASHIKA CAPITAL LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED OCTOBER 10, 2006 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVER) REGULATIONS 1997 AND SUBSEQUENT AMENDEMENT(S) THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER/PAC FROM THE REQUIREMENT OF OBTAINING SUCH A STATUTORY CLEARANCES AS MAYBE REQUIRED FOR THE PURPOSE OF THE OFFER.

3. DETAILS OF THE OFFER

3.1. Background of the Offer

(a) This Offer is being made by **Mr. Govind Sharda** alias **Govind Lal Sarda** (hereinafter referred to as 'Acquirer'), and **Mr. Ashish Agarwal** (hereinafter referred to as 'Person Acting in Concert' or 'PAC') pursuant to regulation 10 and 12 and other provisions of Chapter III and in compliance with the Regulations.

(b) The Acquirer/PAC have intended to acquire in aggregate 2,95,62,440 fully paid up Equity Shares of Re. 1/- each aggregating to 51.01% of voting capital of the Target Company and accordingly Share Purchase Agreements ("Agreements") were executed with the Promoter Group [duly represented by Mr. V. Raghu (Promoter) for himself and for Others] and Non-Promoter Group (hereinafter collectively referred to as "Sellers") on September 27, 2006. Mr. V. Raghu is representing the Promoter Group only and the Acquirer/PAC has entered agreements with each Non-Promoter sellers separately. The details of the Agreements are as under:

S. No.	Name of the Seller (s)	No. of Shares	% of Voting Capital	Negotiated Price (Rs.)
A.	**Promoter Group:**			
1.	Mr. V. Raghu	27,82,880	4.80	Re. 0.30 (Thirty Paisa only)
2.	Mr. K. S. Raju	26,65,680	4.60	
3.	Mr. S. H. Rao	26,07,740	4.50	
4.	Mr. P.V.R. Reddy	15,48,830	2.67	
5.	Others (38 Sellers)	48,05,870	8.29	
	Sub-Total (A)	**1,44,11,000**	**24.86**	
B.	**Non-Promoter Group:**			
1.	M/s. Swain Finance & Trading Pvt. Ltd.	27,39,940	4.73	Re. 0.40 (Forty Paisa only)
2.	M/s. Infotech Infin & Trading Pvt. Ltd.	25,40,000	4.39	
3.	M/s. Golkonda Finance & Trading Pvt. Ltd.	28,11,500	4.85	
4.	Mr. K. Sudhir	50,10,000	8.65	
5.	Mr. P. Madhu Mohan	10,10,000	1.74	
6.	Mr. J. Venkat Surpa Raju	5,00,000	0.86	
7.	Ms. A.S. Laxmi	5,40,000	0.93	
	Sub-Total (B)	**1,51,51,440**	**26.15**	
	GRAND TOTAL (A+B)	**2,95,62,440**	**51.01**	

(c) Some of the main features of the Agreement is mentioned below:

i. The Acquirer/PAC are intend to acquire and the Sellers have agreed to sell to the Acquirer/PAC 2,95,62,440 Equity Shares aggregating to 51.01% of voting capital of the Company, at a price of Re.0.40 per share and Re. 0.30 per share, as the case may be, and the Acquirer/PAC have agreed to purchase the said shares.
ii. That the shares under agreement(s) are free from all charges, encumbrances or liens and are not subjects to any lock in period.
iii. That the Acquirer/PAC will pay the purchase consideration to the sellers and the Sellers will handover the delivery instruction slips for the shares held in demat form and original share certificates together with transfer deeds duly stamped for the share held in physical form.
iv. That the sellers agrees to abide by its obligations as contained in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 1997, as amended from time-to-time.
v. That the Acquirer/PAC shall comply with all the requirements of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto.
vi. That in case of non-compliance of any provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 1997, the agreement for such sale will not be acted upon by the Sellers or the Acquirer/PAC.

(d) The proposed change in control is consequent to the Agreement whose salient features are described in 3.1 (c) above.

(e) The Acquirer/PAC, the Sellers and the Target Company have not been prohibited by SEBI from dealing in securities, in terms of direction under Section 11B of the SEBI Act or under any of the Regulations made under SEBI Act.

(f) After completion of all formalities relating to the acquisition and after complying with formalities required by the Regulations, the Board of Directors might be reconstituted to include nominee(s) of Acquirer/PAC.

(g) The Acquirer/PAC does not hold any Equity Shares of SNL as on date of Public Announcement. The Acquirer/PAC has not acquired either directly or through any other person any Shares of SNL during 12 months preceding the date of Public Announcement.

(h) The Acquirer/PAC has undertaken to comply with the Regulations and complete the Offer formalities irrespective of the compliance or fulfillment or outcome of the Agreement with the Sellers.

3.2. Details of the Proposed Offer

(a) The Acquirer/PAC made a Public Announcement of the Offer, which was published in all Editions of **Business Standard** (English), **Pratahkal** Hindi) and **Andhra Prabha** (Telugu) on September 30, 2006 in compliance with regulation 15 (1) of Regulations. A Corrigendum to PA was also published in the above Newspapers on November 20, 2006. The Public Announcement as well as Corrigendum to PA is also available on SEBI's website at www.sebi.gov.in.

(b) The Acquirer/PAC propose to acquire 1,15,89,600 Equity Shares of Re. 1/- each, from the existing shareholders of SNL (other than parties to the Agreement), at a price of Rs. 1.05 per share ("Offer Price") representing 20% of its voting capital, payable in cash.

(c) The Offer is not subject to any minimum level of acceptances. The Acquirer/PAC will acquire all Equity Shares of SNL that are tendered in terms of this Offer up to a maximum of 1,15,89,600 Equity Shares.

(d) The Acquirer/PAC has not acquired any shares after the date of Public Announcement and up to the date of this Letter of Offer.

3.3. Object of the Offer

(a) The Acquirer/PAC had entered into a Share Purchase Agreement(s) with the objective of Substantial Acquisition of Shares and Voting Rights accompanied with change in Control/ Management and is making this Open Offer pursuant to the regulation 10 & 12 of the Regulations.

(b) The Acquirer/PAC are presently engaged in the business of IT Services and Commodity Trading and through this acquisition they proposes to strengthen the present activities of the Target Company by inducting more IT experts/ professionals on the Board. They also intend to derive the benefits of a listed company.

(c) The Acquirer/PAC does not have any plans to sell, dispose of or otherwise encumber any significant assets of SNL in the next two years, except in the ordinary course of business of SNL. The Acquirer/PAC shall not sell, dispose of or otherwise encumber any substantial assets of SNL except with the prior approval of the shareholders.

4. BACKGROUND OF THE ACQUIRER/PAC

4.1. Information about Acquirer/PAC:

a. Mr. Govind Sharda

Mr. Govind Sharda alias Govind Lal Sarda, son of Shri Shankar Lal Sharda aged about 51 years is a resident of C-601, Lovely Home, CGHS, Sector-5, Dwarka, New Delhi-110075. He became Chartered Accountant in the year 1978. He worked with few companies in different senior positions before joining Firstcorp Petrochem Limited (engaged in the Business of Commodity Trading) as its Managing Director. Thus, he is having more than 25 years of experience in the areas of Project Finance, Banking and Commercial matters.

His Net worth as on 31.08.2006 is Rs. 302.08 Lakhs as certified by Mr. Ashok Bansal , (Membership No: 90056) Proprietor of M/s. Ashok Om & Co., Chartered Accountants, having Office at 204, Second Floor, 6/1191, Naiwala, Karol Bagh, New Delhi-110005; Tel. No. 011-25811242/25854470 vide certificate dated 25.09.2006.

b. Mr. Ashish Agarwal

Mr. Ashish Agarwal, son of Shri Krishna Kumar Agarwal aged about 33 years is a resident of Citadal Apartments, 2nd Floor, 1A/8, Cenotaph II lane, Teynampet, Chennai -600018. He completed his Master of Business Administration in the year 1997 from Saint Francis College, Fort Wayne, State of Indiana, USA. He is the Promoter/ Director of Amnet Systems Pvt. Ltd., which is engaged in the business of Information Technology (IT) Services. Thus, he is having more than 6 years of experience in the areas of Information Technology.

His Net worth as on 31.08.2006 is Rs. 15.10 Lakhs as certified by Mr. M L Srinivasan, (Membership No: 203154) Partner of M/s. M L Srinivasan & Associates, Chartered Accountants, having Office at B-4, Ceebros Rangam Apartments, 11, Cenetop Road, Teynampet, Chennai-600018, Tel. No. 044-24348797 vide certificate dated 25.09.2006.

4.2. The Acquirer and PAC are friends.

4.3. The Acquirer and PAC have not entered into any formal agreement with respect to the acquisition of shares through Agreement(s) as well as this Offer and acting together under an informal understanding.

4.4. The Acquirer and PAC have promoted few entities. However, none of these entities are participating/interested in this Offer.

4.5. The compliances under Chapter II of SEBI (SAST) Regulations, 1997 is not applicable to the Acquirer/PAC since they do not hold any shares of SNL except those agreed to be acquired in terms of Share Purchase Agreement.

4.6. The details of the companies promoted by the Acquirer/PAC are as under:

Unnicornn Powergen Private Limited, incorporated on 27th October 2006 under the Companies Act 1956, is engaged in the business of Power & Energy. Since the accounts of the company are yet to be drawn, the brief financials of the company is not disclosed. The Company is not a Sick Industrial Company.

DJIL Investment & Exports Private Limited was originally incorporated on 4th May 1995 under the Companies Act 1956 in the name and style of 'Emrich Security & Investments Private Limited'; subsequently the name was changed to the present name with effect from 23rd April 1998. The company is presently engaged in the business of Finance & Investment. The Company is not a Sick Industrial Company.

Brief financials based on Audited Accounts for the last three years are given below:

(Amount - Rs. in Lacs)

Particulars	31.03.2006	31.03.2005	31.03.2004
Equity Share Capital	32.62	32.62	32.62
Share Application Money	-	-	0.50
Reserves & Surplus (excluding Revaluation reserves)	0.30	0.48	0.61
Total Income	2.91	3.70	5.42
Profit After Tax (PAT)	(0.18)	(0.13)	(0.02)
Earnings Per Share (EPS) in Rs.	--	--	--
Net Asset Value (NAV) per share in Rs. (Equity shares of Rs.10/- each)	10.09	10.15	10.18

Source: Audited financial statements

Hopewell Industries & Hotels Private Limited incorporated on 24th September 1999 under the Companies Act 1956 with the object of Hotel & Tourism and is yet to commence the business. The Company is not a Sick Industrial Company.

Brief financials based on Audited Accounts for the last three years are given below:

(Amount - Rs. in Lacs)

Particulars	31.03.2006	31.03.2005	31.03.2004
Equity Share Capital	1.00	1.00	1.00
Reserves (excluding revaluation reserves)	-	-	-
Total Income	-	-	-
Profit After Tax (PAT)	(0.03)	(0.03)	(0.03)
Earnings Per Share (EPS) in Rs.	-	-	-
Net Asset Value (NAV) per share in Rs. (Equity shares of Rs.10/- each)	9.70	9.70	9.70

Source: Audited financial statements

Amnet Systems Private Limited, incorporated on 28th June 2000 under the Companies Act 1956, is engaged in the business of Information Technology Enabled Services. The Company is not a Sick Industrial Company.

Brief financials for the last three years are given below:

(Amount - Rs. in Lacs)

Particulars	31.03.2006 (Un-audited)*	31.03.2005 (Audited)	31.03.2004 (Audited)
Equity Share Capital	20.55	17.50	17.50
Share Application Money	-	65.05	43.00
Reserves (excluding revaluation reserves)	225.52	102.73	99.06
Total Income	424.68	223.83	241.66
Profit After Tax (PAT)	66.61	3.67	54.61
Earnings Per Share (EPS) in Rs.	32.41	2.10	31.21
Net Asset Value (NAV) per share in Rs. (Equity shares of Rs.10/- each)	119.74	68.70	66.60

Source: Audited financial statements

* Un-audited but certified by the Auditor of the company

4.7. Disclosures in terms of regulation 16(ix) of the Regulations:

a. The Acquirer/PAC are presently engaged in the business of IT Services and Commodity Trading and through this acquisition they proposes to strengthen the present activities of the Target Company by inducting more IT experts/ professionals on the Board. They also intend to derive the benefits of a listed company.

b. The Acquirer/PAC does not have any plans to sell, dispose of or otherwise encumber any significant assets of SNL in the next two years, except in the ordinary course of business of SNL. The Acquirer/PAC shall not sell, dispose of or otherwise encumber any substantial assets of SNL except with the prior approval of the shareholders.

5. DISCLOSURE IN TERMS OF REGULATION 21(3)

In the event, pursuant to this Offer, the Public Shareholding in the Target Company falls below 25% of its outstanding equity share capital, the Acquirer and PAC will, in accordance with Regulation 21(2) of the SEBI (SAST) Regulations, 1997, facilitate the target company to raise the level of Public Shareholding to the level specified for continuous listing in the Listing Agreement with the stock exchanges within the specified time and in accordance with the prescribed procedure under amended clause 40A(viii) of the Listing Agreement and in compliance with SEBI (SAST) Regulations, 1997.

6. BACKGROUND OF THE TARGET COMPANY- SNL

6.1. Brief History and Main Areas of Operations:

a. SNL having its Registered Office at 5/A, Vengalrao Nagar, Hyderabad-500038, was incorporated on 25.08.1995 in the name and style of 'Curare Labs Limited', under the Companies Act, 1956 in the State of Andhra Pradesh and Certificate of Commencement of Business was obtained on 28.09.1995. The Name was subsequently changed to 'Curare Industries Limited' with effect from 10.06.1998 and thereafter the name was further changed to 'Saarc Net Limited' with effect from 19.02.1999.

b. The Authorised Share Capital of the company is Rs. 650.00 Lakhs divided into 6,50,00,000 Equity Shares of Re.1/- each. The Issued and Subscribed Share Capital is Rs. 579.48 Lakhs comprising of 5,79,48,000 fully paid-up Equity Shares of Re.1/- each. There are no partly paid-up Equity Shares.

c. SNL is presently engaged in the business of Software Development, Internet Services and Software support Services.

d. The Equity Shares of SNL are presently listed on BSE and HSE.

e. The company came out with a maiden public issue in May 1996 through prospectus, to part finance the project to manufacture bulk drugs and to meet the margin money for working capital.

f. At the time of public issue, the Main Objects of the company were to carry on the business of Bulk Drugs, Medicines and Pharmaceuticals. The Main objects of the company were subsequently changed in the year 1998 to carry on the business of Chemical and Steel Rerolled Products, Electrical Power, etc. and the name of the company was also changed to 'Curare Industries Limited'. Thereafter, the Main Objects of the company were further changed in the year 1999 to carry on the business of Manufacturing of and Trading in all kinds of Drugs, Computers, Communication Systems and other related services, etc. and the name of the company consequently changed to the present name i.e. 'Saarc Net Limited'. The Main Objects Clause of the company was lastly changed in the year 2001 to carry on the business relating to Information Technology and Software Development. The company has obtained all the necessary approvals under the Companies Act 1956 and completed all the required formalities.

g. The shares of the company were split in the year 2005 in the ratio of 10 (Ten) shares of face value of Re. 1/- each against 1 (One) share of Rs. 10/- each as per the Board's decision in the Board's Meeting held on 19.08.2005 and the Shareholders' resolution passed in the EGM held on 15.09.2005. The company has complied with the necessary formalities/compliances for the same.

6.2. Share Capital Structure of SNL:

Paid-up Equity Shares	No. of Shares/Voting Rights	% Shares/Voting Rights
Fully Paid-up Equity shares	5,79,48,000/5,79,48,000	100%/ 100%
Partly Paid-up Equity shares	Nil/Nil	Nil/Nil
Total paid-up Equity shares	5,79,48,000/5,79,48,000	100%/ 100%

6.3. Current Capital Structure of the Company:

Date of Allotment	No and % of Shares issued		Cumulative Paid-Up Capital (Rs.)	Mode of Allotment	Identity of Allottees	Status of Compliance
	No.	%				
25.08.1995	700	0.01	7,000	Subscribers to Memorandum	Promoters	Complied
05.09.1995	10,44,300	18.02	1,04,50,000	Further Issue	Promoters	Complied
03.10.1995	92,000	1.59	1,13,70,000	Further Issue	Promoters	Complied
24.06.1996	46,57,800	80.38	5,79,48,000	Public Issue	Promoters/ Others	Complied
TOTAL	**57,94,800***	**100.00**	**5,79,48,000**			

*However, each share of the company has been sub-divided into 10 equity shares of Re.1/- w.e.f. 1st October 2005.

6.4. There are no outstanding instruments in the nature of warrants / fully convertible debentures / partly convertible debentures etc. which are convertible into equity at any later date.

6.5. The Company has been complying with the applicable clauses of the Listing Agreement entered into with the Stock Exchange and no punitive action was taken against the company by the stock exchange (s). The company has paid up to date Listing Fees to the stock exchange (s) and the Company has addressed all investor's complaints as and when received and there is no pending complaint as on date.

6.6. Present Composition of the Board of Directors of SNL:

As on date of Public Announcement [September 30, 2006], the Directors representing the Board of SNL were:

S. No.	Name & Designation	Address	Qualification	Experience	Date of Appointment
1.	Mr. J. Anjaneyulu, Managing Director	E.W.S.H. 229, K.P.H.B. Colony, Kukatpally, Hyderabad-500 072.	B.Sc.	20 years in Marketing	05.08.2003
2.	Mr. V. Sheshu Babu, Director	17/A, S. R. Nagar, Hyderabad-500 038.	B.A	20 years in Overseas Marketing	30.07.2005
3.	Mr. S. M. Subhani, Director	8-4-315/26, New Premnagar, Erragadda, Hyderabad-500 018.	M.com	5 years in Finance & Accounts	09.12.2005
4.	Mr. K. Siva Prasad, Director	8-2-134/4/A/3/4, Pratap Nagar Colony, Panjagutta, Hyderabad-500 082.	M.com	5 years in Financial Markets	09.12.2005

6.7. There has been no merger / de-merger or spin off involving SNL since the Company's listing.

6.8. Promoters/Sellers have complied with the applicable provisions of SEBI (SAST) Regulations 1997. However, the company has participated in the SEBI Regularization Scheme, 2002 and regularized the non-disclosures under regulation 6(2) & 6(4) of the Regulations for the year 1997 and under regulation 8(3) of the Regulations for the year 1998 and 1999. Thereafter the Target Company is regular in compliance with the provisions of SEBI (SAST) Regulations 1997.

6.9. Financial Information:

Brief audited financials of the company for the last 3 Years are as follows:

Profit & Loss Statement (Rs. in Lakhs)

For the Year ended	31.03.2006	31.03.2005	31.03.2004
Income:			
Income	821.86	1093.18	644.77
Other Income	1.06	0.23	0.18
Total Income	**822.92**	**1093.41**	**644.95**
Total Expenditure	797.84	1059.34	611.33
Profit/(Loss) before Interest, Dep.& Tax	25.08	34.07	33.62
Depreciation	12.97	19.57	30.12
Preliminary Expenses written off	0.90	0.90	0.91
Profit/(Loss) before Tax	**11.21**	**13.60**	**2.59**
Provision for Current Tax	5.86	6.94	2.16
Provision for Deffered Tax	(2.09)	(2.06)	--
Profit/(Loss) after Tax	**7.44**	**8.72**	**0.43**

Balance Sheet Statement (Rs. in Lakhs)

As at	31.03.2006	31.03.2005	31.03.2004
Sources of Funds:			
Share Capital	579.48	579.48	579.48
Reserves & Surplus	26.77	19.33	10.61
Networth	**606.25**	**598.81**	**590.09**
Deferred Tax Liability	--	1.46	3.52
Secured Loans	--	3.38	4.53
Total	**606.25**	**603.65**	**598.14**
Application of Funds:			
Net Fixed Assets	31.59	53.30	77.40
Investments	28.69	148.69	408.69
Deferred Tax Asset	0.63	--	--
Net Current Assets	543.53	398.95	108.44
Misc. Exp. (not written off)	1.81	2.71	3.61
Total	**606.25**	**603.65**	**598.14**

Other Financial Data

For year ended	31.03.2006 (Audited)	31.03.2005 (Audited)	31.03.2004 (Audited)
Dividend (%)	Nil	Nil	Nil
EPS (Rs.)	0.013	0.15	0.01
Return on Networth (%)	1.23	1.46	0.07
Book Value per share (Rs.)	1.04	10.33	10.18

Networth=Paid up Share Capital + Reserves & Surplus
EPS = Profit after Tax /No. of fully paid up equity shares
Return on Net Worth = Profit after Tax /Net Worth
Book Value per Share = Net Worth - Misc. Exp. Not Written Off / No. of equity shares

Notes:

a. The total Income have increased by about 70% in the year 2004-05 compared to the previous year on account of overall growth in the business and decreased by about 25% in the year 2005-06 compared to the year 2004-05 on account of fall in the selling price and intense competition. However, the profits after tax have been marginally affected during 2004-05 and 2005-06.

b. Investments of the company have decreased substantially during 2004-05 and 2005-06 on account of sale of Investments.

c. Net current assets of the company have increased during 2004-05 mainly on account of increase in Loans and Advances and during 2005-06 mainly on account of Sundry Debtors.

6.10. Pre and Post-Offer Shareholding Pattern of SNL (Based on Voting Capital):

Shareholders' Category	Shareholding & Voting Rights prior to the Agreement/ Acquisition and Offer		Shares / Voting Rights agreed to be Acquired which triggered off the Regulations		Shares/ Voting Rights to be Acquired in Open Offer (Assuming full acceptances)		Shareholding / Voting Rights after the Acquisition and Offer	
	(A)		(B)		(C)		(A)+(B)+(C)=(D)	
	No.	%	No.	%	No.	%	No.	%
1. Promoter Group								
a) Parties to Agreement	1,44,11,000	24.86	(1,44,11,000)	(24.86)	Nil	Nil	Nil	Nil
b) Promoters other than (a) above#	71,89,000	12.40	Nil	Nil	Nil	Nil	71,89,000*	12.40*
Total (a+b)	**2,16,00,000**	**37.26**	**(1,44,11,000)**	**(24.86)**	**Nil**	**Nil**	**Nil***	**Nil***
2. Acquirers								
a) Mr. Govind Sharda b) Mr. Ashish Agarwal	Nil	Nil	2,95,62,440	51.01	1,15,89,600	20.00	4,11,52,040	71.01
Total (a+b)	**Nil**	**Nil**	**2,95,62,440**	**51.01**	**1,15,89,600**	**20.00**	**4,11,52,040**	**71.01**
3. Parties to Agreement other than (1) (a) & (2)	1,51,51,440	26.15	(1,51,51,440)	(26.15)	Nil	Nil	Nil	Nil
4. Public (Other than parties to Agreement, Acquirer)								
a. FIs/MFs/FIIs/Banks, SFIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b. Others	2,11,96,560	36.59	Nil	Nil	(1,15,89,600)	(20.00)	1,67,95,960*	28.99*
Total (a+b)	**2,11,96,560**	**36.59**	**Nil**	**Nil**	**(1,15,89,600)**	**(20.00)**	**1,67,95,960***	**28.99***
GRAND TOTAL (1+2+3+4)	**5,79,48,000**	**100.00**	**Nil**	**Nil**	**Nil**	**Nil**	**5,79,48,000**	**100.00**

***The holding of erstwhile Promoter Group will be included in the public category after the completion of Offer formalities.**

Includes Mr. Shri Md.Rizwan, M V Ramana Reddy, Manager Roy, Sunitha K Reddy, Prasad Dhulipapa, M Aruna, Vijay Kumar S, Prem Kumar Reddy, K Venugopal, Viswambhar Patel, Ashok Prasanna Reddy, Vijaya L Yezdani, Khaja G Yezdani, E Shyam Prasad Reddy

6.11. There are 1952 Equity Shareholders under Public category.

6.12. Name and Contact details of the Compliance Officer:
Mr. J. Anjaneyulu, Managing Director
5/A, Vengalrao Nagar, Hyderabad-500038;
Tel: 040-30913498; Fax: 040-23813780

6.13. There were no changes in the holdings of the Promoter Group since public issue, except the sale of 3,40,000 shares by Mr. Md. Rizwan on 01.08.2002, for which the necessary disclosures have been made under SEBI (SAST) Regulations, 1997.

7. OFFER PRICE AND FINANCIAL ARRANGEMENTS

7.1. Justification of Offer Price:

1. The shares of SNL are listed at Bombay Stock Exchange Limited, Mumbai (BSE) and the Hyderabad Stock Exchange Limited, Hyderabad (HSE). The shares of the company are not traded on any Stock Exchange(s) under Permitted Category.

2. The annualized trading turnover during the preceding 6 calendar months prior to the month in which PA is made i.e. March 2006 to August 2006 (both Inclusive) at the Stock Exchange(s) is as under: -

Name of Stock Exchange	Total No. of Shares traded during 6 calendar months prior to the month in which PA was made.	Total No. of listed Shares	Annualized Trading turnover (in terms of % to total listed shares)
BSE	5,60,496	5,79,48,000	1.93
HSE	Nil	5,79,48,000	Nil

3. Based on the information available, the shares of SNL deemed to be infrequently traded in terms of Explanation (i) to regulation 20(5) of the Regulations and hence, the Offer Price has been determined taking into account the following parameters:
   i. The Negotiated price under the agreement is Re. 0.30 and Re. 0.40 per share.
   ii. The Acquirer/PAC have not acquired any equity shares of SNL during 26 weeks prior to the date of PA including by way of allotment in a public, rights or preferential issue.
   iii. Other parameters as on 31.03.2006 such as Book Value, Earning per share and Return on Networth are Rs. 1.04/- per share, Re. 0.013/- and 1.23% respectively.
   iv. The P/E Multiple of SNL considering the Offer Price of Rs. 1.05/- per share works out to 80.77. The average industry P/E for the Sector in which SNL operates is 21.1.
   (Source: Capital Market, Volume XXI/14, Dated Sep 11-24, 2006; Industry:-Computers-Software-Medium/Small)

4. In view of the aforesaid financial parameters, the Offer Price of Rs. 1.05/- per share is justified in terms of regulation 20 of the Regulations.

5. If the Acquirer/PAC acquires Shares after the Original PA and upto seven working days prior to closure of the Offer at a price higher than the Offer Price, the highest price paid for such acquisitions shall be payable for all the acceptances received under this Offer as per the Regulations. Any revision in the Offer Price shall be notified by advertisement in the same newspapers in which the original Public Announcement appeared.

6. There is no non-compete agreement.

7.2. Financial Arrangements:

1. Assuming full acceptance, the total financing resources required to fulfill the Offer is Rs. 1,21,69,080/- (Rupees One Crore Twenty One Lakh Sixty Nine Thousand and Eighty only).

2. The Acquirer, in terms of regulation 28 (2) has created an Escrow Account by way of deposit of cash in **HDFC Bank Limited** and the details are given below:-

1.	Name of the Bank	HDFC Bank Limited
2.	Address	Maneckji Wadia Building, Ground Floor,

		Nanik Motwani Marg, Fort, Mumbai-400001. Tel No.: 022-66573535; Fax: 022-22705520
3.	Amount	Rs. 30,50,000/-
4.	Account Number	0600350030207

3. The Manager to the Offer i.e. Ashika Capital Limited has been solely authorised by the Acquirer/PAC to operate and realise the value of Escrow Account in terms of the Regulations, and accordingly HDFC Bank Limited have issued a Letter dated September 29, 2006 in favour of Manager to the Offer confirming the same.

4. In accordance with regulation 22(11) of the Regulations, the Acquirer/PAC has adequate financial resources and has made firm financial arrangements for the implementation of the Offer in full out of their own sources and/or short-term borrowings from friends/associates/others. However, no borrowings from Banks and/or Financial Institutions are envisaged. Mr. Ashok Bansal, (Membership No: 90056) Proprietor of M/s. Ashok Om & Co., Chartered Accountants, having Office at 204, Second Floor, 6/1191, Naiwala, Karol Bagh, New Delhi-110005; Tel. No. 011-25811242/25854470 has certified vide letter dated September 28, 2006 that sufficient resources are available with the Acquirer and PAC for fulfilling the obligations under this "Offer" in full.

5. The Manager to the Offer, Ashika Capital Limited confirms that the firm arrangements for the funds and money for payment through verifiable means are in place to fulfill the Offer obligations.

8. TERMS AND CONDITIONS OF THE OFFER

1. The Letter of Offer along with Form of Acceptance cum Acknowledgement shall be mailed to all those shareholders of SNL [except parties to the Agreement(s)] whose name appear on the Register of Members of SNL and to those beneficial owners of the equity shares of SNL, whose names appear as beneficiaries on the records of the respective Depository Participants, at the close of business hours on October 6, 2006 (the "Specified Date").

2. None of the shares of SNL are under lock-in.

3. Shareholders holding equity shares in physical form and wish to tender their shares will be required to send their duly signed Form of Acceptance cum Acknowledgement, Original Share Certificate (s) and duly signed and executed Transfer Deed (s) to the Registrar or Manager to the Offer, either by hand delivery on weekdays between (10.00 a.m. to 1.00 p.m. and 2.00 p.m. to 4.00 p.m.) or by Registered Post so as to reach on or before the Closing of the Offer, i.e. December 19, 2006 (Tuesday) in accordance with the instructions specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement.

4. The Registrar to the Offer has opened a Special Depository Account with IDBI Bank Limited, (Registered with NSDL), styled “Bigshare Services Pvt. Ltd.-Escrow Account-Saarc Net Ltd.-Open Offer". The DP ID is IN300450 and Client ID is 13443343. Shareholders having their beneficiary account in CDSL have to use Inter depository delivery instruction slip for the purpose of crediting their shares in favour of the Special Depository Account.

5. Beneficial owners and Shareholders holding shares in the Dematerialised Form who wish to tender their shares will be required to send their Form of Acceptance cum Acknowledgement along with a photocopy of the delivery instructions in ‘Off-Market’ mode or counterfoil of the delivery instruction in ‘Off-Market’ mode, duly acknowledged by the Depository Participant ("DP"), in favour of Special Depository Account, to the Registrar either by hand delivery on weekdays between (10.00 a.m. to 1.00 p.m. and 2.00 p.m. to 4.00 p.m.) or by Registered Post, on or before the Closing of the Offer, i.e. December 19, 2006 (Tuesday) in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement.

6. Shareholders who have sent their shares for dematerialisation need to ensure that the process of getting shares dematerialized is completed well in time so that the credit in the Special

Depository Account should be received on or before the closure of the Offer, else the application would be rejected.

7. All owners of the shares, Registered or Unregistered [except parties to the Agreement(s)] who own the shares any time prior to the closing of the Offer are eligible to participate in the Offer. Unregistered owners can send their application in writing to the Registrar or Manager to the Offer, on a plain paper stating the Name & Address of the First Holder, Name(s) & Address (es) of Joint Holder(s) if any, Number of Shares held, Number of Shares offered, Distinctive Numbers, Folio Number, together with the original Share Certificate(s), valid Transfer Deeds and the original Contract Note issued by the Broker through whom they acquired their shares. No indemnity is required from unregistered owners.

8. In case of non-receipt of the Letter of Offer, the eligible persons may send their consent to the Registrar or Manager to the Offer, on a plain paper stating the Name, Address, Number of Shares held, Distinctive Number, Folio Number and Number of Shares offered, along with documents as mentioned in point '7" above, so as to reach the Registrar or Manager to the Offer on or before the Closing of the Offer, i.e. December 19, 2006 (Tuesday) or in case of beneficial owners, they may send the application in writing to the Registrar or Manager to the Offer, on a plain paper stating the name, address, number of shares held, number of shares tendered, DP name, DP ID, Beneficiary Account Number and a photocopy of the delivery instruction in "Off-Market" mode or counterfoil of the delivery instruction in "Off-Market" mode, duly acknowledged by DP, in favour of the Special Depository Account, so as to reach the Registrar or Manager to the Offer, on or before the Closing of the Offer, i.e. December 19, 2006 (Tuesday).

9. The Registrar to the Offer will hold in trust the Share Certificates, shares lying in credit of the Special Depository Account, Form of Acceptance cum Acknowledgement, if any, and the Transfer Form/s on behalf of the shareholders of SNL who have accepted the Offer, till the Cheques/Drafts for the consideration and/or the unaccepted shares/share certificates are despatched/returned.

10. In case the number of shares validly tendered in the Offer by the shareholders of SNL are more than the shares to be acquired under the Offer (i.e. 1,15,89,600 Equity shares) then the Acquirers will accept shares on a proportionate basis subject to a minimum of 100 Shares or the entire holding if less than 100 shares, in case of physical mode, from each shareholder accepting this Offer, as per the provisions of the Regulations. Incase, the equity shares of SNL are surrendered in dematerialized mode, minimum marketable lot is one (1) equity share only. The rejected applications/ documents will be sent by Registered Post.

11. Share Certificates, Transfer Forms and other documents in respect of shares not accepted under the Offer, if any, will be returned by Registered Post at the shareholders /'unregistered owners' sole risk to the sole/first shareholder. Shares held in dematerialised form to the extent not accepted will be credited back to the beneficial owners' depository account with the respective DP as per the details furnished by the beneficial owner in the Form of Acceptance cum Acknowledgement.

12. The payment of acquisition of shares will be made by the Acquirers in Cash through a crossed Demand Draft/Pay Order and the same will be sent by Registered Post, to those shareholders/unregistered owners, whose shares/ share certificates and other documents are found in order and accepted by Acquirers in part or in full whose equity share certificates and other documents are found in order and accepted, within 15 Days from the date of closing of the Offer. The Acquirer/PAC undertakes to pay interest pursuant to regulation 22(12) to the shareholders for the delay, if any, in payment of consideration.

13. The Offer is subject to receiving necessary approval(s), if any, from Reserve Bank of India under Foreign Exchange Management Act, 1999 and subsequent amendments there to for acquiring equity shares tendered by Non Resident Shareholders, if any.

14. To the best of the knowledge of the Acquirer/PAC, there are no other statutory Approvals/or consents required to acquire the shares that are tendered pursuant to the Offer. However, if any

statutory approvals become applicable at a later date, the Offer would be subject to such statutory approvals.

15. In case of non-receipt of statutory approvals within time, SEBI has a power to grant extension of time to the Acquirer/PAC for payment of consideration to the shareholders, who have accepted the Offer, subject to Acquirer/PAC agreeing to pay interest for the delayed period as directed by SEBI under regulation 22(12) of the Regulations. Further, if the delay occurs on account of willful default by the Acquirer/PAC in obtaining the approvals, regulation 22(13) of Regulations will become applicable.

16. Accidental omission to despatch this Letter of Offer to any person to whom this Offer is made or the non-receipt or delayed receipt of this Letter of Offer by any such person will not invalidate this Offer in any way.

17. Attention of the shareholders is invited to the fact that the Letter of Offer along with the form of Acceptance would also be available on the SEBI web site at www.sebi.gov.in and eligible persons may download the Form of Acceptance cum Acknowledgement from the website for participating in the Offer.

18. The form of Acceptance along with Share Certificate (s) and other documents delivered as per the requirements mentioned above, shall become acceptance on your part, but will become a fully valid and binding contract between you and the Acquirer/PAC only upon the fulfillment of all the conditions mentioned herein.

9. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF OFFER

1. The Shareholder(s) of SNL who qualify and who wish to avail of this Offer are free to offer their shareholding in full or in part. They should send their shares to the Registrars to the Offer as mentioned in the Form of Acceptance at the following address: -

   Bigshare Services Pvt. Ltd.
   E-2, Ansa Industrial Estate,
   Sakivihar Road, Saki Naka,
   Andheri (E), Mumbai-400072;

   Acceptances may be sent by Registered Post or by hand so as to reach the Registrars/Manager to the Offer on or before December 19, 2006 (Tuesday).

   Shareholders may send their acceptances by hand accordingly:

Working Days	Timings	Mode of Delivery
Monday-Friday	10.00 a.m. to 1.00 p.m. and 2.00p.m. to 4.00 p.m.	Hand Delivery
Saturday	10.00 a.m. up to 2.00 p.m.	Hand Delivery

Delivery made by Registered Post would be received on all working days except Sunday & Public Holidays.

2. Shareholders are advised to ensure that the Form of Acceptance cum Acknowledgement and other relevant documents are complete in all respects; otherwise the same is liable to be rejected. In the case of demated shares, the shareholders are advised to ensure that their shares are credited in favour of the special depository account before the closure of the Offer. The Form of Acceptance cum Acknowledgement of such demated shares not credited in favour of the special depository account before the closure of the Offer will be rejected.

3. Shareholders should enclose the following::

a) For Equity Shares held in Physical Form:
Registered Shareholders should enclose:

- **Form of Acceptance cum Acknowledgement** duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear in the share certificates.
- **Original Share Certificate(s)**

- **Valid Share Transfer form(s)** duly signed as Sellers by all the registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with SNL and duly witnessed at the appropriate place. A blank Share Transfer Form is enclosed along with this Letter of Offer.

Notwithstanding that the signature(s) of the transferor(s) has/have been attested, if the signature(s) of the transferor(s) differs from the Specimen signature(s) recorded with SNL or are not in the same order, such shares are liable to be rejected under the open offer even if the Offer has been accepted by bonafide owner of such shares.

Unregistered Shareholders should enclose:

- **Form of Acceptance cum Acknowledgement** duly completed and signed in accordance with the instructions contained therein, or application on plain paper.
- **Original Share Certificate(s)**
- **Original Broker Contract Note.**
- **Valid Share Transfer form(s)** as received from the market**.**

No indemnity is required from unregistered shareholders. **Unregistered shareholders should not sign the transfer deed.**

The details of buyer should be left blank failing which the same will be invalid under the Offer. All other requirements for valid transfer will be preconditions for valid acceptance.

b) For Equity shares held in Demat form: -

The Registrar to the Offer has opened a Special Depository Account with IDBI Bank Limited, (Registered with NSDL), styled "Bigshare Services Pvt. Ltd.-Escrow Account-Saarc Net Ltd.-Open Offer". The above said account details are as under: -

DP Name	IDBI Bank Limited
DP ID	IN300450
Beneficiary ID	13443343

Shareholders having their beneficiary account in CDSL have to use Inter depository delivery instruction slip for the purpose of crediting their shares in favour of the Special Depository Account.

Beneficial Owners should enclose:

- **Form of Acceptance cum Acknowledgement** duly completed and signed in accordance with the instructions contained therein, as per the records of the respective depository.
- **Photocopy of the delivery instruction** in 'Off-market' mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by DP.

For each delivery instruction, the beneficial owner should submit a separate Form of Acceptance. All beneficial owners maintaining accounts with CDSL are required to fill in an additional inter depository slip, maintained with the DP while giving instructions to their respective DPs.

4. The shareholders should also provide all relevant documents, which are necessary to ensure transferability of the shares in respect of which the application is being sent. Such documents may include but are not limited to:
   i. Duly attested death certificate and succession certificate (in case of single shareholders) if the original shareholder is deceased. In case succession certificate has not been obtained, the legal heir may approach the registrar.
   ii. Duly attested power of attorney if any person apart from the shareholder has signed the application form and / or transfer deed(s).
   iii. In case of Companies, the necessary corporate authorization (including Board Resolution) and specimen signatures of authorized signatories.

5. The share certificate(s), share transfer form(s) and the Form of Acceptance along with the relevant documents should be sent to the Registrar to the Offer/Manager to the Offer and not to the Acquirer/PAC or SNL.

6. In case of non-receipt of the Letter of Offer, the eligible persons may send their consent to the Registrar or Manager to the Offer, on a plain paper stating the Name, Address, Number of Shares held, Distinctive Number, Folio Number and Number of Shares offered, along with other relevant documents as mentioned above, so as to reach the Registrar or Manager to the Offer on or before the Closing of the Offer, i.e. December 19, 2006 (Tuesday). in case of beneficial owners, they may send the application in writing to the Registrar or Manager to the Offer, on a plain paper stating the name, address, number of shares held, number of shares tendered, DP name, DP ID, Beneficiary Account Number and a photocopy of the delivery instruction in "Off-Market" mode or counterfoil of the delivery instruction in "Off-Market" mode, duly acknowledged by the DP, in favour of the Special Depository Account, so as to reach the Registrar or Manager to the Offer, on or before the Closing of the Offer, i.e. December 19, 2006 (Tuesday).

   The eligible persons can write to the Manager to the Offer requesting for the Letter of Offer and Form of Acceptance cum Acknowledgement and fill up the same in accordance with the instructions given therein, so as to reach the Registrar to the Offer or Manager to the Offer, on or before the Closure of the Offer i.e. December 19, 2006 (Tuesday).

   Unregistered owners should not sign the transfer deed and the transfer deed should be valid for transfer.

   Alternatively, the Letter of Offer and Form of Acceptance cum Acknowledgement will be available on SEBI's website at www.sebi.gov.in from the date of opening of the Offer. The eligible persons can download the Form of Acceptance cum Acknowledgement from the SEBI's website and apply in the same.

7. The equity shareholders, who are desirous of withdrawing their acceptances tendered in the Offer, can do so upto three working days prior to the date of the Closure of the Offer i.e. on or before December 14, 2006 (Thursday). The withdrawal option can be exercised by submitting the 'Form of Withdrawal' (separately enclosed with Letter of Offer) to the Registrar to the Offer, so as to reach them on or before December 14, 2006 (Thursday). In case of non-receipt of 'Form of Withdrawal', the withdrawal option can be exercised by making an application on plain paper along with the following details:

   a) **In case of Physical Shares:** Name, Address, distinctive numbers, folio nos., number of shares tendered/withdrawn, and
   b) **In case of Dematerialised Shares:** Name, Address, number of shares tendered/withdrawn, DP name, DP ID, Beneficiary account number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP in favour of the Special Depository Account.

   Shares [Physical /Dematerialised form] withdrawn by the shareholders would be returned by the Registered post.

   The form of Withdrawal can also be downloaded from SEBI's website www.sebi.gov.in or obtained from the Manager/ Registrar to the Offer.

8. Unaccepted Share Certificate(s), transfer forms and other documents, if any, will be returned by registered post at the shareholders' / unregistered owners' sole risk to the sole / first shareholder. Shares held in demat form to the extent not accepted will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance cum Acknowledgement.

9. The Registrar to the Offer will hold in trust the Shares / Share Certificates, Shares lying in credit of the special depository account, Form of Acceptance cum Acknowledgement, if any, and the transfer form(s) on behalf of the shareholders of the Target Company who have accepted the

Offer, till the cheques / drafts for the consideration and / or the unaccepted shares / share certificates are despatched / returned.

10. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at the office of the Manager to the Offer, **Ashika Capital Limited**, 1008, 10th Floor, Raheja Centre, 214, Nariman Point, Mumbai-400021, on any working day between 10.00a.m to 2.00p.m during the period the Offer is open i.e., from November 30, 2006 (Thursday) to December 19, 2006 (Tuesday):

i) Copy of the Share Purchase Agreement (s) executed between Acquirer/PAC & Sellers dated September 27, 2006, which triggered off the Offer.

ii) Memorandum & Articles of Association of SNL along with Certificate of Incorporation.

iii) Audited results of SNL for the financial years ended 31.03.2004, 31.03.2005 and 31.03.2006.

iv) Copy of Prospectus dated 23.02.1996.

v) Memorandum & Articles of Association alongwith Certificate of Incorporation and Audited Annual Reports for the relevant years of the companies promoted by the Acquirer and PAC.

vi) Chartered Accountant's Certificate (s) dated 25.09.2006 certifying the Net worth of Mr. Govind Sharda (Acquirer) and Mr. Ashish Agarwal ('PAC').

vii) Chartered Accountant's Certificate dated 28.09.2006 certifying the adequacy of financial resources with Acquirer and PAC to fulfill the Open Offer obligations.

viii) A Letter from HDFC Bank dated September 29, 2006 for the amount kept in the Escrow Account.

ix) Published copies of the Public Announcement made on September 30, 2006 and Corrigendum dated November 20, 2006.

x) Copy of the Letter No. CFD/DCR/TO/AG/79417/06 dated November 8, 2006 from SEBI in terms of Provisions of regulation 18(2).

xi) Other relevant documents such as:

a. Copy of the Memorandum of Understanding between the Acquirer & the Manager to the Offer dated September 28, 2006.

b. Copy of the consent letter dated September 28, 2006 received from Bigshare Services Pvt. Ltd., the Registrar to the Offer.

c. Copies of undertakings from Target Company and the Acquirer/PAC.

11. DECLARATION BY THE ACQUIRER AND PAC

The Acquirer and PAC accepts full responsibility severally and jointly for the information contained in Public Announcement made in this regard, Letter of Offer and also for ensuring compliance with the obligation of Acquirers laid down in SEBI (SAST) Regulations 1997 and subsequent amendments thereof.

The Manager to the Offer hereby states that the person signing this Letter of Offer is the Acquirer and he is duly authorised by Person Acting in Concert to sign on his behalf.

Place: Delhi
Date: November 21, 2006.

Govind Sharda (Acquirer)

Attached: Form of Acceptance cum Acknowledgement and Withdrawal

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT

Date:

From:

Tel. No. Fax No.: E-mail:

To
Bigshare Services Pvt. Ltd.
E-2, Ansa Industrial Estate,
Sakivihar Road, Saki Naka,
Andheri (E), Mumbai-400072;

Dear Sir,

Sub: Open Offer to acquire 1,15,89,600 Equity Shares of Re. 1/- each at a price of Rs. 1.05 per share, representing 20% of voting capital of SNL by Mr. Govind Sharda ('Acquirer') and Mr. Ashish Agarwal ('PAC')

I/We refer to the Letter of Offer dated November 21, 2006 for acquiring the Equity Share(s) held by me/us in **Saarc Net Limited**.

I/We, the undersigned have read the Letter of Offer and understood the contents including the terms and conditions as mentioned therein.

For Shares held in Physical Form:
I/We hereby irrevocably & unconditionally accept the Offer and enclose the original share certificate(s) and duly signed transfer deed(s) in respect of my / our shares as detailed below:

Sl. No.	Regd. Folio Number	Share Certificate Number	Distinctive Numbers		Number of Equity Shares
			From	To	
Total No. of Shares					

(In case the space provided is inadequate, please attach a separate sheet with the details)

I/We note and understand that the original share certificate(s) and valid share transfer deed will be held in trust for me/us by the Registrar to the Offer until the time the Acquirer/PAC makes payment of the purchase consideration as mentioned in the Letter of Offer.

I/We also note and understand that the Acquirer/PAC will pay the purchase consideration only after verification of the documents and signatures.

For Shares held in Demat Form:
I/We holding the shares in dematerialised form and accept the Offer and enclose photocopy of the Delivery Instruction Slip in 'Off-Market ' mode, duly acknowledgement by Depository Participant ('DP') in respect of my / our equity shares as detailed below:

DP Name	DP ID	Client ID	No. of Shares	Name of Beneficiary

I/We have done an Off-Market transaction for crediting the shares to the Special Depository Account named "Bigshare Services Pvt. Ltd.-Escrow Account-Saarc Net Ltd.-Open Offer" with the following particulars:

DP Name	IDBI Bank Limited
DP ID	IN300450
Beneficiary ID	13443343

Shareholders having their beneficiary account with CDSL have to use inter-depository slip for purpose of crediting their shares in favour of the Special Depository Account.

I/We confirm that the shares of **Saarc Net Limited** which are being tendered herewith by me/us under this Offer are free from liens, charges and encumbrances of any kind whatsoever.

Non - resident shareholders should enclose No objection Certificate / Tax Clearance Certificate from the income tax authorities under the Income Tax Act, 1961 indicating the amount of tax to be deducted by the Acquirer before remitting the consideration otherwise tax will be deducted at the maximum marginal rate as may be applicable to the category of shareholder on the consideration payable by the Acquirer.

I/We authorise the Acquirer to accept the shares so offered which they may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/We authorise the Acquirer/PAC and the Registrar to the Offer and the Manager to the Offer to send by Registered Post/UCP as may be applicable at my/our risk, the Draft/Cheque, in full and final settlement of the amount due to me/us, to return to me/us, share certificate(s) in respect of which the Offer is not found valid/not accepted, specifying the reasons thereof and/or other documents or papers or correspondence to the sole/first holder at the address mentioned below.

I/We authorize the Acquirer/PAC to accept the Shares so offered or such lesser number of Shares that they may decide to accept in terms of the Letter of Offer and I/We authorize the Acquirer/PAC to split / consolidate the share certificates comprising the Shares that are not acquired to be returned to me/us and for the aforesaid purposes the Acquirer/PAC are hereby authorized to do all such things and execute such documents as may be found necessary and expedient for the purpose.

Yours faithfully,
Signed and delivered:

	FULL NAME (S)	**SIGNATURE (S)**
First/sole Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		

Address of First/Sole Shareholder: ____

____

Place: ________________ Date: __________________

Note: In case of joint holding, all must sign. A Company must affix the common seal and furnish its corporate authorizations.

So as to avoid fraudulent encashment in transit, the shareholder(s) may provide details of bank account of the first/sole shareholder and the cheque or demand draft for the consideration will be drawn accordingly.

Name of the Bank: ____________________________ Branch: ____________________
Account Number: ________________ Savings/Current/Others(please specify)__________

---TEAR HERE---

Sl. No. **BIGSHARE SERVICES PVT. LTD.** **(Acknowledgement Slip)**

E-2, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai-400072;
Tel.: 022-28470652/28470653; Fax: 022-28475207; E-mail: bigshare@bom7.vsnl.net.in;

Received from Mr./Ms/Mrs.:_____________________________

Address:____

Folio Number_________ DP ID __________Client ID________

Number of Share Certificates Enclosed ___________
Certificate Numbers ________
Total Number of Shares Enclosed: _____

Signature of the Official Date of receipt	Stamp of Registrar to the Offer

Note: All future correspondence, if any, should be addressed to Registrar to the Offer at the address mentioned above.

PLEASE USE THIS FORM ONLY IF YOU HAVE TENDERED THE SHARES AND WISH TO WITHDRAW YOUR APPLICATION

FORM OF WITHDRAWAL

You have an 'OPTION TO WITHDRAW' the acceptance tendered in response to the Offer any time upto three working days prior to the date of closure of Offer i.e. on or before December 14, 2006 (Thursday). In case you wish to withdraw your acceptance please use this form.	**OFFER SCHEDULE**	
	Offer Opens on	**: November 30, 2006 (Thursday)**
	Last Date of Withdrawal	**: December 14, 2006 (Thursday)**
	Offer Closes on	**: December 19, 2006 (Tuesday)**

Please read the Instructions in Letter of Offer before filling-in this Form of Withdrawal

From:

Tel No. Fax No.: E-mail:

To
Bigshare Services Pvt. Ltd.
E-2, Ansa Industrial Estate,
Sakivihar Road, Saki Naka,
Andheri (E), Mumbai-400072;

Dear Sir,

Sub: Open Offer to acquire 1,15,89,600 Equity Shares of Re. 1/- each at a price of Rs. 1.05 per share, representing 20% of voting capital of SNL by Mr. Govind Sharda ('Acquirer') and Mr. Ashish Agarwal ('PAC')

I/We refer to the Letter of Offer dated November 21, 2006 for acquiring the equity shares held by me/us in **Saarc Net Limited**.

I/We the undersigned, have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein.

I/We wish to withdraw our acceptance tendered in response to the said Offer. We had deposited/sent our 'Form of Acceptance' to you on _________ 2006 along with original share certificate(s) and duly signed transfer deed(s) in respect of my/our shares as detailed below:

(Please enclose the Xerox copy of Acknowledgement received for 'Form of Acceptance')

S. No.	Regd. Folio Number	Share Certificate Number	Distinctive Numbers		Number of Equity Shares
			From	To	
Total No. of Shares					

(In case the space provided is inadequate, please attach a separate sheet with the details)

I/We note and understand the terms of withdrawal of acceptance and request you to return the original share certificate(s) and valid share transfer deed and authorize you not to remit the consideration as mentioned in the Letter of Offer.

I/We authorise the Acquirer/PAC to reject the shares so offered which it may decide in consultation with Manager to the Offer and in terms of the Letter of Offer.

I/We confirm that the particulars given above are true and correct.

Yours faithfully,
Signed and Delivered:

	FULL NAME (S)	SIGNATURE (S)
First/sole Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		

Address of First/Sole Shareholder:____

____

Note: In case of joint holding, all must sign. A Company must affix the common seal and furnish its corporate authorizations.

Place:________________ Date:__________________

INSTRUCTIONS

1. The shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at any of the collection centres mentioned in the Letter of Offer or above as per the mode of delivery indicated therein on or before 17.00 hours upto the last date of withdrawal i.e. December 14, 2006 (Thursday).

2. Shareholders should enclose the following:-

   Registered Shareholders should enclose:
   - Duly signed and completed Form of Withdrawal.
   - Copy of the Form of Acceptance cum Acknowledgement/ Plain paper application submitted and the Acknowledgement slip.
   - In case of partial withdrawal, Valid Share Transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with Target Company and duly witnessed at the appropriate place.

   Unregistered owners should enclose:
   - Duly signed and completed Form of Withdrawal.
   - Copy of the Form of Acceptance cum Acknowledgement/Plain paper application submitted and the Acknowledgement slip
   - The withdrawal of Shares will be available only for the Share certificates that have been received by the Registrar to the Offer/ Manager to the Offer.
   - The intimation of returned Shares to the Shareholders will be at the address as per the records of the Target Company.
   - The Form of Withdrawal alongwith enclosure should be sent only to the Registrar to the Offer.
   - In case of partial withdrawal of Shares tendered in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from SNL. The facility of partial withdrawal is available only on to the registered shareholders.

---TEAR HERE---

Sl. No. **BIGSHARE SERVICES PVT. LTD.** **(Acknowledgement Slip)**

E-2, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai-400072;
Tel.: 022-28470652/28470653; Fax: 022-28475207; E-mail: bigshare@bom7.vsnl.net.in;

Received Form of Withdrawal from Mr. / Ms./ Mrs..: ______________________________

Address: ______________________________

____

Folio Number_________ DP ID ___________Client ID_________

Number of Shares tendered ___________

Number of Shares withdrawn _________________

Signature of the Official Date of receipt	Stamp of Registrar to the Offer

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PRINTED MATTER

BOOK POST

To

If undelivered, please return to:
BIGSHARE SERVICES PVT. LTD.
E-2, Ansa Industrial Estate, Sakivihar Road,
Saki Naka, Andheri (E), Mumbai-400072;
Tel.: 022-28470652/28470653;
Fax: 022-28475207;
E-mail: bigshare@bom7.vsnl.net.in;