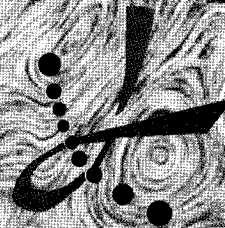




Annual Report

2012- 2013



N2N
Technologies

N2N Technologies Limited
(formerly Visisth Mercantile Limited)

CORPORATE INFORMATION

Board of Directors

Name of the Director	Designation
Mr. Rahul Shah	Chairman
Mr. Rajesh Shah	Independent Director
Mr. Jayesh Desai	Independent Director
Mr. Haren Parekh	Independent Director

Statutory Auditors

M/s. DMKH & Co.- Chartered Accountants

C-9, Sanjay Apartments,
Near Gokul Hotel, SVP Road,
Borivali (W), Mumbai –400 092

Bankers

HDFC Bank Limited

The Amaltas Co-Op Hsg Soc,
Juhu-Versova Link Road, Ward-K,
Andheri (W), Mumbai – 400 053

Compliance Officer

Mr. M. Rushikesh

Office No. 101, P1 Pentagon,
Magarpatta City,
Hadapsar, Pune – 411 013

Registrar & Transfer Agents

Universal Capital Securities Pvt Ltd

(Formerly known as Mondkar Computers Pvt Ltd.)
21, Shakil Niwas, Opp. Satya Saibaba Temple,
Mahakali Caves Road, Andheri (East), Mumbai - 93.

Registered Office

Office No. 101, P1 Pentagon,
Magarpatta City, Hadapsar,
Pune – 411 013

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Notice of the Annual General Meeting

Notice is hereby given that the Twenty Eighth Annual General Meeting of N2N Technologies Limited (formerly known as Visisth Mercantile Limited) shall be held on Tuesday, 24th September, 2013 at 12.30 pm at the Registered Office of the Company at Office No. 101, P1 Pentagon, Magarpatta City, Hadapsar, Pune – 411 013 to transact the following business :

ORDINARY BUSINESS :

- 1) To receive, consider and adopt the Stand-Alone and Consolidated Balance Sheet as at March 31, 2013, the Profit and Loss Account for the year ended on that date together with the Reports of the Directors and the Auditors thereon.
- 2) To re-appoint Mr. Rahul Shah as a Director of the Company, who retires by rotation and, being eligible, offers himself for re-appointment.
- 3) To re-appoint M/s. DMKH & Co., Chartered Accountants, as the Statutory Auditors of the Company and to fix their remuneration for the financial year 2013-2014.

Place : Mumbai
Date : May 27, 2013

By Order of the Board of Directors

Office:
Office No. 101, P1 Pentagon,
Magarpatta City,
Hadapsar,
Pune 411 013

Rahul Shah
Director

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE ON A POLL ONLY, INSTEAD OF HIMSELF/HERSELF AND A PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the meeting.
2. Proxy shall not vote except on a poll.
3. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. The Register of Members and Transfer Books will be closed from Tuesday 17th September, 2013 to Tuesday 24th September, 2013 (both days inclusive)
5. Members are requested to address all communication regarding transfer of shares, change in residential/correspondence address, etc directly to the Registrar and Transfer Agents (R&T) of the Company, M/s. Universal Capital Securities Pvt Ltd. (Formerly known as Mondkar Computers Pvt. Ltd.) 21, Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali Caves Road, Andheri (East), Mumbai – 93 and where the shares are held in dematerialized form, the information should be passed on to the respective depositories without any delay. Members are requested to quote folio no.s/DP ID Client ID in all their correspondence to the Company and R&T.
6. The members can avail of the facility of nomination. In terms of Section 109A of the Companies Act, 1956, members are entitled to make nominations in respect of shares held by them in physical form. Members desirous of making nominations are requested to file their nomination in respect of their shareholdings in prescribed Form 2B (in duplicate), which is available at the Registered Office of the Company and with R & T Agent.
7. Members are requested to :
 - a. Bring their copy of the Annual Report to the Annual General Meeting.
 - b. Bring the Attendance slip sent herewith, duly filled in, for attending the meeting (Mandatory).

8. The Company has designated an exclusive email ID viz. investors@n2ntechno.com to enable the investors to post their grievances, if any, and monitor its redressal.
9. Members seeking any information or clarification on the Accounts are requested to send in written queries to the Company, at least seven days before the date of the meeting. Replies will be provided at the meeting in respect of such queries received.
10. The Annual Accounts of the Subsidiary companies and the related detailed information shall be made available to shareholders of the Company and subsidiary companies seeking such information at any point of time. The Annual Accounts of the Subsidiary companies shall also be kept for inspection by any shareholders at the registered office of the Company and of the subsidiary companies concerned. The Company shall furnish a hard copy of details of accounts of subsidiaries to any shareholder on demand.
11. Ministry of Corporate Affairs (MCA) vide Circular Nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively have clarified that a company would be deemed to have complied with provisions of sections 53 and 219(1) of the Companies Act, 1956, if documents like notices, annual reports etc. are sent in electronic form to its members. Therefore, the Company appeals that the members register their email addresses with the Company by a letter/email to the Company at its registered office or at the above email id or to the R&T at the address mentioned above thereby supporting the green initiative taken by the MCA. The members are requested to note that the said documents shall be made available on the website of the Company for the information of the members and also be made available for inspection at the Registered Office of the Company during the business hours.

Place : Mumbai
Date : May 27, 2013

By Order of the Board of Directors

Office:
Office No. 101, P1 Pentagon,
Magarpatta City,
Hadapsar,
Pune 411 013

Rahul Shah
Director

DIRECTORS' REPORT

TO THE MEMBERS

In accordance with section 217 of the Companies Act, 1956 and with the view to update the shareholders on the performance and activities in the Company during the previous year, your Directors are pleased to present their Report for the Financial year ended 31st March, 2013 as under :

FINANCIAL HIGHLIGHTS

(Amount in Rs.)

Particulars	Stand-Alone		Consolidated	
	2012-13	2011-12	2012-13	2011-12
Income	10,93,129	24,98,134	2,00,57,69,929	NA
Profit/(Loss) before Extra-ordinary Items, Tax and Depreciation	(45,69,819)	15,82,097	12,68,37,924	NA
Less: Depreciation	2,83,268	3,82,864	96,53,937	NA
Profit/(Loss) before Provision for Tax	(48,53,087)	11,99,233	11,71,83,987	NA
Less: Provision for Taxation	(29,01,468)	(20,485)	124,50,032	NA
Profit/(Loss) after Taxation	(19,51,619)	12,19,718	10,47,33,955	NA

DIVIDEND

Your Directors think it prudent to utilize the funds for future business growth hence does not recommend any dividend for the financial year ended 31st March, 2013.

TRANSFER TO RESERVES

During the year, no amount has been transferred to General Reserves in the Balance Sheet.

REVIEW OF OPERATIONS

The Stand-Alone and Consolidated Financial Highlights of the Company are as stated above. During the year the Company has undergone many structural and operational developments which are enlisted below:

Alteration in Memorandum & Articles of Association:

During the year, the Company changed its name from "Visisth Mercantile Limited" to "N2N Technologies Limited" and also altered the Object Clause in the Memorandum of Association of the Company to suit the business of the Company. The Company has also shifted the registered office of the Company from the city of Mumbai to the city of Pune hence, shifting the registered office of the Company from jurisdiction of ROC of Mumbai to jurisdiction of ROC of Pune. The approval of the shareholders for the aforesaid transactions was obtained by voting through Postal Ballot vide Resolution dated 17th August, 2012. The details of the Postal Ballot are given in the Corporate Governance Report which forms a part of this Annual Report.

Subsidiaries:

i) DSR Infotech Private Limited

During the year, the Company has made investments by way of purchasing 3,24,500 equity shares of DSR Infotech Private Limited. Consequently, the shareholding of the Company in DSR Infotech is 68.39% making it the subsidiary of the Company pursuant to Section 4 (1)(b) of the Companies Act, 1956.

ii) Katayst Technologies Inc

Katalyst Technologies Inc. a Company incorporated in the United States which is a subsidiary of DSR Infotech Private Limited hence, making it a subsidiary of the Company pursuant to Section 4 (1)(c) of the Companies Act, 1956.

Amalgamation :

The Board of Directors in their meeting on 17th October, 2012 approved the Amalgamation of the Company with "Leadsoft Softtech Private Limited" which is engaged in the business of designing and development of software solutions in order to combine the operations of both the Companies which would provide economies in cost, better working capital management, better administration and increased financial resources. The swap ratio is:

- 10 (ten) equity shares of N2N Technologies Ltd for every 1(one) equity share of Leadsoft Softtech Private Limited.
- 10 (ten) equity shares of N2N Technologies Ltd for every 1(one) Unsecured Optionally Convertible redeemable debentures of Leadsoft Softtech Private Limited.

The in-principle approval is received by the Company from BSE Ltd vide their letter dated 8th January, 2013 for the proposed scheme of Amalgamation. The Company has filed an application with High Court and the order is awaited. The Appointed date is 1st April, 2012. The Scheme of Amalgamation shall be effective after obtaining requisite Order from the High Court but shall be operative from the Appointed date as mentioned above.

Preferential Issue of Debentures :

During the year, the Company vide resolution passed at the Meeting of Board Of Directors on 24th September, 2012 and 8th November, 2012 and approval of shareholders received vide Special Resolution passed through Postal Ballot dated 31st October, 2012 issued 0% Unsecured Optionally Convertible Debentures ("OCD") on a preferential allotment basis in accordance with the regulations for Preferential Issues contained in Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended ("SEBI ICDR Regulations"). The purpose of the said issue was to augment the resources for the capital expenditure, working capital requirements and for general corporate purpose. The Company has completed all the formalities and complied with all the rules and regulations as applicable under Companies Act, 1956, listing agreement, SEBI Regulations with regard to the said issue. The proceeds from the Issue were utilized for capital expenditure, working capital / funds for general corporate purpose as mentioned in the Notice and Explanatory Statement which was dispatched to the shareholders for passing of resolution through Postal Ballot.

FUTURE OUTLOOK

The Company has shifted its base from Mumbai to Pune, Pune being one of the biggest IT hubs to enhance the scope of its services and to build more clientele. During the previous year, the company was under process of streamlining its activities due to the shifting of office. The Company shall commence its operations from the current year and is already undertaking constant efforts as is evident from the above changes to expand its operations. The Company's mission is to provide the best in class solutions to all its clients who prefer to focus on their core business and look to their partners to support them in streamlining their business processes and reducing cost. The Company believes that it has to be better than the competition at lower cost to succeed and strives for the same.

DIRECTORS

In accordance with the provisions of Section 255 and 256 of the Companies Act, 1956, and the Company's Article of Association, Mr. Rahul Shah retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. His detailed profile annexed.

PUBLIC DEPOSIT

During the year, under review, the Company had not accepted deposits from public within the meaning of Section 58A of the Companies Act, 1956.

AUDITORS

M/s. DMKH & Co., Chartered Accountants, holds office upto the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have furnished the necessary certificate as required under Section 224 (1B) of the Companies Act, 1956. The Board recommends their re-appointment.

PARTICULARS OF EMPLOYEES

The Company does not have any employees in receipt of remuneration equal to or exceeding limits as specified in Particulars of employees required in accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, your directors based on the representation received from the management state that:

1. In the preparation of the accounts, the applicable accounting standards have been followed and there are no material departures.
2. Accounting policies selected were applied consistently. Reasonable and prudent judgment and estimates were made so as to give a true and fair view of the state of affairs of the Company as at March 31, 2013 and of the profit of the Company for that period.
3. Proper and sufficient care has been taken 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 frauds and other irregularities.
4. The annual accounts of the Company have been prepared on a going concern basis.

LISTING

The Company's shares are listed on The Bombay Stock Exchange, Mumbai, where the shares are actively traded.

CONSERVATION OF ENERGY

Our operations are not energy intensive. However significant measures have been taken to reduce the energy consumption by purchasing latest technology energy efficient equipments.

TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

During the year, Company has not absorbed or imported any technologies.

FOREIGN EXCHANGE EARNINGS & OUTGOINGS

During the year ended March 31, 2013, the Company has not incurred/received any foreign exchange.

CORPORATE GOVERNANCE

The Paid up Share Capital of the Company during the year 2012-13 was Rs. 2,80,00,000/-. The Board of Directors vide Resolution passed at their Meeting held on May 10, 2013 allotted 2,66,666 equity shares pursuant to conversion of 0% Unsecured Optionally Convertible Debentures into Equity Shares. The Paid up capital of the Company post allotment is Rs. 3,06,66,660/- making the provisions of Clause 49 - Corporate Governance applicable to the Company with effect from May 2013. Hence, the provisions of Corporate Governance were not applicable to the Company during the year ended 31st March, 2013. However, the Corporate Governance Report for the period from May 10, 2013 to May 27, 2013 is annexed.

MANAGEMENT DISCUSSION AND ANALYSIS

In accordance with the Listing Agreement, the Management Discussion and Analysis Report is annexed hereto and forms part of this Report.

AUDITORS' REPORT

The Auditors have not qualified their report and there are no observations made by them.

COMPLIANCE CERTIFICATE

As per provisions of Section 383A of the Companies Act, 1956, compliance certificate dated 27th May, 2013 from D S Momaya & Co., Company Secretaries is annexed.

ACKNOWLEDGEMENT

The Directors would like to acknowledge and appreciate the efforts and support of the employees of the Company, the shareholders for their support and trust in the Company. The Directors are grateful to the bankers, lenders, customers and associates of the Company for their co-operation at all times.

Place : Mumbai
Date : May 27, 2013

For and on behalf
of the Board of Directors

Rahul Shah
Director

Brief profile of Mr. Rahul Shah as required under Clause 49 (IV)(G) of the Listing Agreement

- Date of Birth** : 17th May, 1967
- Date of Appointment** : 14th November, 2011
- Qualification** : Bachelor in Chemical Engineering from Brigham Young University, US
- Background and Profile** : Rahul Shah is the founder, CEO of N2N Technologies Limited. Prior to this, he was an independent consultant at Allstate Insurance and Comdisco Inc, where he was responsible for establishing a QA team and converting the testing/QA group from a manual to automated test environment.
- Rahul Shah grew the team from two resources to 50 employees and helped establish an off-shore testing center in Northern Ireland. Additionally, he provided consulting services to various startups during the dot com era and helped facilitate off-shore development projects for these companies.
- List of Other Directorships** : Mr. Rahul Shah is a Director in the following Companies :
- i. DSR Infotech Private Limited
 - ii. Katalyst Technologies Inc
- He does not hold any Committee Memberships.
- No. of shares held** : Mr. Rahul Shah holds 12,58,840 equity shares in the Company as on March 31, 2013.

Management Discussion and Analysis Report

I. Industry structure and developments

The Information technology (IT) and information technology enabled services (ITeS) industry has been one of the key driving forces fuelling India's economic growth. India is one of the fastest-growing IT services markets in the world. The fact that IT sector in the country has increased at an incredible rate of 35% per year for the last 10 years reinforces the view that India is world class in IT. Despite the challenging global environment, marked by slower economic growth, the Euro Zone crisis, unemployment, uncertainty fuelled by currency volatility and inflationary trends, the Indian industry is likely to keep its head up. This is because technology is now playing a vital role in every industry and trends such as mobility, social media, big data and the cloud are driving tech adoption worldwide.

The Indian industry is expected to continue to innovate and help customers grow their businesses, build solutions and emerge as a strategic partner for global clients. Today, India is a preferred destination for ITES due to its distinct advantages, which lay in its supportive government policies; infrastructural facilities; low manpower cost; growing knowledge pool; specialised technical skills; higher productivity and quality of service, etc.

Market Size

The Indian IT and ITES industry has continued to perform its role as the most consistent growth driver for the economy. Service, software exports and BPO remain the mainstay of the sector. Over the last five years, the IT and ITES industry has grown at a remarkable pace. IT Services is a USD 50 billion sector, BPM is a USD 20 billion sector, Engineering crossed USD 10 billion and Software products, Internet & Mobility are emerging opportunities.

Performance review

The information technology sector has been growing at compounded annual growth rate (CAGR) of 17 per cent during the last five years (2007-12). Despite challenges in the global market, Indian IT-BPM industry sustained its growth trajectory and has clocked export revenues of USD 75.8 bn with a Y-o-Y growth rate of 10.2 per cent. Domestic market also witnessed Y-o-Y growth rate of 14.1 per cent taking the domestic revenues to INR 1,047 bn. The Indian IT-BPM sector continues to be one of the largest employers in the country directly employing nearly 3 million professionals, adding over 180,000 employees and 9.5 million professionals indirectly. The GDP share of IT Industry is 8% and Exports share is 24% as per Nasscom.

II. Risks and concerns

Cyber security and quality management are few key areas of concern in today's information age. The protection of valuable intellectual property and business information in digital form against theft and misuse is an increasingly critical management issue. Competition as prevalent in every industry remains a key challenge in the IT industry too. To survive in this highly competitive industry, the sector has to continue to re-invent itself and strive for that extra mile, through new business models, innovation, global delivery, partnerships and transformation. One of threats to the IT industry is also the dependency on US. The Nasscom survey, which states that majority of the graduates coming out of the colleges today are unemployable. The reason for this is that majority of the IT companies in India have an export driven business model and majority of it is to the US, the companies have been facing a lot of heat. The IT companies should therefore explore options in Europe, the western Asia and Asia-Pacific and reduce direct dependency on the US. One of the most important crises facing the Indian information technology industry concerns the human resources aspect. The skill level of the information technology professionals is one area that needs improvement and presents a considerable amount of challenge before the Indian information technology industry. The Indian information technology industry also needs to coordinate with the academic circles as well as other industries in India for better performance and improved productivity.

III. Outlook

Increase in global technology spending and opportunities created through adoption of disruptive technologies are expected to propel growth in FY2014. India's IT and BPO sector exports are expected to grow by 12-14 per cent in FY14 to touch US\$ 84 billion - US\$ 87 billion and Domestic revenues will also grow at a rate of 13-15 per cent and are expected to reach INR 1180-1200 bn according to Nasscom. By 2015, IT sector is expected to generate revenues of USD 130 billion. IT spending is expected to significantly increase in verticals like automotive and healthcare which will create a transformational impact on the overall economy.

IV. Internal control systems

The Company has adequate Internal Control systems in place to frame and monitor the work and authority flows, people and management information systems. The top authority frames the internal control systems to help the organization accomplish specific goals or objectives. The Company has adopted various policies which helps the Company to maintain environments that encourage incorruptibility and deter fraudulent activities by management and employees. There is adequate decentralization of authority and duties in the Company which reduces risks of mistakes and inappropriate actions. These control systems are supplemented by regular Audits by the Company's Auditors and regular review by the Board of Directors of various operations of the Company. In order to safeguard access of unauthorized personnel to the assets of the Company, there is adequate security which prevents unauthorized access to the Company's systems and premises.

V. Financial Performance :

The Financials of the Company during the year 2012-13 are as follows :

Revenue from Operations	:	Rs. 10,93,129/-
Profit/(Loss) After Tax	:	Rs. (19,51,619/-)
Earnings per share	:	Basic :- 0.70
		Diluted :- 0.64

Human Resources

Since, the Company has recently undergone many changes as stated in the Directors Report above and is working towards organizing and establishing its business activities, it is in process of recruiting employees and updating its human resource and various other policies. However, the Company has already formulated certain HR policies for its employees. The number of employees as on 31st March, 2013 is NIL.

Cautionary Statement

This report involves various forward looking statements which are based on certain assumptions, forecasts, expectations and studies undertaken by the Company. Readers are requested not to place undue reliance on these forward looking statements. The actual performance depends on various factors within and outside the control of the Management so there are chances that they may vary from what is been quoted in this Report.

Place : Mumbai
Date : May 27, 2013

For and on behalf
of the Board of Directors

Rahul Shah
Director

COMPLIANCE CERTIFICATE
(Under sub section (1) of Section 383A of the Companies Act, 1956)

Co Regd no : L72900PN1985PLC145004
Authorised Capital : Rs. 55,000,000/-
Paid-Up Capital : Rs. 2,80,00,000/-

The Members,
N2N Technologies Limited.
101, P-1, Pentagon,
Magarpatta City, Hadapsar,
Pune-411013.

We have examined the registers, records, books and papers of **N2N Technologies Limited** as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31/03/2013. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year.

1. The Company has kept and maintained all registers as stated in **Annexure "A"** to this certificate, as per the provisions and the rules made there under and all entries there in have been duly recorded.
2. The Company has duly filed the forms and returns as stated in **Annexure "B"** to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities prescribed under the Act and the rules made there under.
3. The Company being Public Limited listed Company has the minimum prescribed paid-up capital.
4. The Board of Directors duly met **Eight** times on 30/05/2012, 06/07/2012, 14/08/2012, 24/09/2012, 17/10/2012, 03/11/2012, 08/11/2012, and 10/02/2013 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members, and / or Debenture holders from **17/09/2012 to 21/09/2012** (both days inclusive) for the purpose of Annual General Meeting during the year under review.
6. The Annual General Meeting for the financial year ended on **31/03/2012** was held **21/09/2012** after giving notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year. But during the period under review, the **Company passed various resolutions like shifting of Registered Office from Mumbai to Pune, issue of Unsecured Debentures on preferential basis, change of name and object clause of the Memorandum of Association of the Company, increasing the borrowing limits, through postal ballot process**, after giving notices to all the members of the Company and other compliances of the provisions of the Act.
8. The Company has not advanced any loan to its directors and /or persons or firms or companies referred in the section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act during the year under review.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. The Company was not required to obtain any approvals from the Board of Directors, Members and previous approval of the Central Government pursuant to Section 314 of the Act.
12. The Company has not issued duplicate share certificates.

13. The Company :
 - Delivered all the certificates on allotment of securities and on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act.
 - The Company was not required to deposit any amount in a separate bank account as no dividend was declared during the financial year.
 - The Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year
 - Was not required to transfer monies to the Investor Education and Protection Fund during the period under review.
 - Has duly complied with the requirement of section 217 of the Act.
14. The Board of directors of company is duly constituted and all the appointments have been duly made.
15. The Company has not appointed Managing Director / Whole Time Director / Manager during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company has obtained the **permission and approvals for Shifting of Registered office and for Change of Name and Change in object clause** from Regional Director and Registrar of Companies respectively during the financial year.
18. The directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and rules made there under.
19. The Company on **Preferential basis issued 2,66,666 0% (Zero Percent) Optionally Convertible Debentures ("OCD")** of Rs.10/- each to Mr. Vijay Chheda during the financial year.
20. The Company has not bought back shares during the financial year.
21. As the Company has not issued any preference shares hence their redemption does not arise.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.
24. The amount borrowed by the company from public, financial institutions, banks and others during the financial year is/are within the borrowing limits of the company as per section 293(1)(d) of the Act.
25. The Company has made Investments in other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose.
26. The Company has **altered the provisions of the Memorandum with respect to Situation Clause** by shifting the Registered Office from the jurisdiction of Registrar of Mumbai (ROC) to the jurisdiction of Registrar of Pune (ROC) during the financial year.
27. The Company has **altered Object Clause of Memorandum of Association** of the Company to alter Clause III A of Memorandum of Association of the Company by replacing the existing Main clause 1, and deleting existing Main Object Clause 2(a) and 2(b) and inserting new Clause 1(a), 1(b) and 1(c) in the Main Objects of the Company and Clause III B of the Memorandum of Association of the Company by inserting Clause 2(a), 2(b), 2(c), 2(d), in the Incidental Objects of Memorandum of Association of Company with respect to the objects of the Company during the year under scrutiny.
28. The Company has **altered the provisions of the Memorandum by changing the name of the Company from "Visisth Mercantile Limited" to "N2N Technologies Limited"** with respect to name of the Company during the year under scrutiny.

29. The Company has not altered the provisions of the Memorandum with respect to share capital of the company during the year under scrutiny.
30. The Company **has altered the provisions of the Articles of Association** by changing the name of the Company from "Visisth Mercantile Limited" to "N2N Technologies Limited" during the year under scrutiny.
31. There was / were no prosecutions initiated against or show cause notices received by the company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offenses under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has not setup Provident Fund Scheme hence provisions of Section 418 of the Act are not applicable.

For D.S.MOMAYA & CO.

Divya Momaya
Proprietor

Place: Navi Mumbai
Date: 27.05.2013

Company Secretaries
ACS: 17325 CP: 7885

Annexure to the Compliance Certificate of
ANNEXURE – “A”

Registers / Reports as maintained by the Company.

Sr. No.	Particulars
1.	Register of members under Section 150
2.	Register of Transfers
3.	Register of Charges under Section 143
4.	Register and returns under section 163
5.	Register of Directors, Managing Director and Company Secretary u/s.303
6.	Register of Contracts with Companies & Firms in which Directors are interested u/s 301
7.	Register of Directors' shareholding u/s.307
8.	Records pertaining to members attendance attending their meetings
9.	Register of Directors Attendance for Board Meetings
10.	Register of investments etc. under section 372A (5)

ANNEXURE – “B”

No.	Form No. / Return	Filed under relevant section of the Act	Particulars	Date of filing	Whether filed within prescribed time Yes / No	If delay in filing whether requisite additional fees paid Yes / No
1.	Form 23	Section 192 & 293(1)(a) & 293(1)(d)	For increasing of borrowing limits and creating charge over the assets of the company under section 293(1)(d) & 293(1)(a) respectively.	09/01/2013	Yes	No
2.	Form 62	Section 192 A	Filing of Calendar of events for postal ballot for increasing of borrowing limits and creating charge over the assets of the company under section 293(1)(d) & 293(1)(a) respectively.	21/11/2012	Yes	No
3.	Form 32	303(2)	Cessation of Chandrashekhar Shantaram Korde due to resignation.	06/11/2012	Yes	No
4.	Form 23	81(1A)	For Issue of 0% (Zero Percent) Unsecured Optionally Convertible Debentures on Preferential Issue basis.	08/11/2012	Yes	No
5.	Form 18	17A & 146	For Shifting of the Company's registered office from the jurisdiction of Registrar of Mumbai (ROC) to the jurisdiction of Registrar of Pune (ROC)	23/10/2012	Yes	No
6.	Form 18	17A & 146	Shifting of the Company's registered office from the jurisdiction of Registrar of Mumbai (ROC) to the jurisdiction of Registrar of Pune (ROC)	09/10/2012	Yes	No
7.	Form 32	303(2)	Change in designation of Directors- 1) Haren Devidas Parekh 2) Rajesh Virendra Shah 3) Rahul Dilip Shah 4) Jayesh Desai	01/10/2012	Yes	No

No.	Form No. / Return	Filed under relevant section of the Act	Particulars	Date of filing	Whether filed within prescribed time Yes / No	If delay in filing whether requisite additional fees paid Yes / No
8.	Form 62	192A (2)	Calendar of Events for Postal Ballot for obtaining the approval of the shareholders by way of special resolution for issuance of 0% Unsecured Optionally Convertible Debentures on Preferential Issue basis.	01/10/2012	Yes	No
9.	Form 21	17A	Filing of Order of Regional Director Shifting of the Company's Registered Office from the jurisdiction of Registrar of Mumbai (ROC) to the jurisdiction of Registrar of Pune (ROC). Order No. RD:SEC.17-A/80/2012/5506	01/10/2012	Yes	No
10.	Form 23	17A & 146	For Special Resolution for shifting Registered office of the Company to 101, P-1, Pentagon, Magarpatta City, Hadapsar, Pune 411013.	29/08/2012	Yes	No
11.	Form 23	21, 16, 17(1) & 18(1)	1) For changing the name of the Company to N2N Technologies Limited. 2) For Alteration of Memorandum of Association of the Company	27/08/2012	Yes	No
12.	Form 62	192A	For Calendar of events for postal ballot for passing of the Special Resolution for change of company name, shifting of registered office from Mumbai to Pune and Change of object clause in MOA.	12/07/2012	Yes	No
13.	Compliance Certificate E Form 66	383 A	F.Y. ended 31/03/2012	23/10/2012	No	Yes
14.	Form 23ACA 23AC XBRL	220	Annual Accounts F.Y. ended 31/03/2012 in XBRL Mode	15/01/2013	Yes	No
15.	Form 20B	159	Annual Return as per Schedule V for F.Y. ended 31/03/2012 and for AGM held on 21/09/2012	18/01/2013	Yes	No

For D.S.MOMAYA & CO.

Place: Navi Mumbai
Date: 27.05.2013

Divya Momaya
Proprietor
Company Secretaries
ACS: 17325 CP: 7885

Corporate Governance Report

I. Applicability

The Paid up Share Capital of the Company during the year 2012-13 was Rs. 2,80,00,000/-. The Board of Directors vide Resolution passed at their Meeting held on May 10, 2013 allotted 2,66,666 equity shares pursuant to conversion of 0% Unsecured Optionally Convertible Debentures into Equity Shares. The Paid up capital of the Company post allotment is Rs. 3,06,66,660/- making the provisions of Clause 49 – Corporate Governance applicable to the Company. The Company hence is pleased to present the Corporate Governance Report.

II. Corporate Philosophy

Corporate Governance basically means the system of rules, practices and processes by which a company is directed and controlled. Corporate governance essentially involves balancing the interests of the Company and many stakeholders in a company - these include its shareholders, management, customers, suppliers, financiers, government and the community. The Company understands and acknowledges the significance of good Corporate Governance practices for the business to flourish. The Company is compliant with all the Clauses as mentioned in the Clause 49 of the Listing Agreement and strives at all times to adopt such governance practices to protect the interest of all the stakeholders associated with the Company.

III. Board of Directors

➤ Composition and Meetings:

The Board of Directors of the Company has an optimum combination of Executive and Non Executive Directors as enlisted in the Listing Agreement. The Board of Directors of the Company comprises 4(four) Directors from varied sectors possessing valuable expertise in their respective professions. The composition of the Board is as mentioned herein below:

Sr. No.	Name of Director	Category
1	Rahul Dilip Shah	Promoter & Executive Director
2	Haren Devidas Parekh	Independent & Non- Executive Director
3	Rajesh Virendra Shah	Independent & Non- Executive Director
4	Jayesh Desai	Independent & Non- Executive Director
*5	ChandraShekhar Korde	Independent & Non- Executive Director

*Mr. Chandrashekhar Korde has resigned from Directorship with effect from 17th October, 2012.

The Chairman of the Board is Mr. Rahul Shah being an Executive Director, the Board comprises of 3 (three) Non-Executive - Independent Directors which is more than 50% of the strength of the Board of Directors hence complying with the Composition of Board as enlisted in the Clause 49 of the Listing Agreement.

During the year under review, the Board met 9 (nine) times on 30th May, 2012, 6th July, 2012, 14th August, 2012, 21st September, 2012 (Meeting adjourned to 24th September, 2012), 24th September, 2012, 17th October, 2012, 3rd November, 2012, 8th November, 2012 and 10th February 2013 to transact various business. The Directors are also provided with the facility to participate in the Board Meetings through Video Conference if they are unable to present themselves at the venue of the Meeting. During the year, Mr. Rahul Shah had availed the said facility and had attended few Meetings through Video Conference. The attendance of the Directors at each meeting of the Board, their attendance at the last AGM and their Directorship and Chairmanship in other Companies is as stated below:

Name of the Director	Attendance at the Board Meeting			Attendance at the Last AGM	*Directorships held by the Directors		*No. of Committee Positions Held	
	No. of Meetings Held	No. of Meetings attended	No. of Meetings attended through Video Conference		Member	Chairman	Member	Chairman
Rahul Dilip Shah	9	9	5	Yes	NIL	NIL	NIL	NIL
Haren Devidas Parekh	9	8	NIL	Yes	NIL	NIL	NIL	NIL
Rajesh Virendra Shah	9	7	NIL	No	3	NIL	NIL	4
Jayesh Desai	9	8	NIL	No	NIL	NIL	NIL	NIL
Chandrakant Korde	6	1	NIL	No	NA	NA	NA	NA

*The above Directorships only include Directorships held by the Directors in Public Companies. The above Chairmanship/ membership of Committees include only Chairmanship/ membership of the Audit Committee and the Shareholders' Grievance Committee.

The Board of directors are empowered to do all such activities as the Company is authorized to exercise and has the power and authority to carry on the activities of the Company and to meet the business objectives of the Company as a team. All the decisions of the Company are carried out under authority of the Board of Directors and the Board is always kept updated about the activities of the Company. All the items as are mentioned in Annexure 1A of Clause 49 of Listing Agreement are placed before the Board of Directors for its review and approval.

➤ **Remuneration to Directors:**

Remuneration by way of Sitting Fees is paid to the Executive & Non-Executive Directors for attending the Meetings of the Board, Audit Committees and Shareholders Grievance Committees. The Board has decided the sitting fees of Rs. 10,000/- (Rupees Ten Thousand only) to be paid to every Director attending each Meeting of the Board and Rs. 5000/- (Rupees Five Thousand only) to be paid for every director attending each meeting of Audit Committee and Shareholders Grievance Committee either physically or through Video Conference. The Sitting Fees paid during the year is as given below. No remuneration other than sitting fees is paid to the Directors.

Name	Remuneration per annum (Sitting Fees)
Rahul Dilip Shah	Rs. 50,000/-
Haren Devidas Parekh	Rs. 40,000/-
Rajesh Virendra Shah	Rs. 50,000/-
Jayesh Desai	Rs. 50,000/-
Chandrakant Korde	NIL

➤ **Shareholding of Directors of the Company as on 31st March, 2013 :**

The number of shares held by the Directors in the Company is as follows:

Name	No. of Shares Held
Rahul Dilip Shah	12,58,840
Haren Devidas Parekh	NIL
Rajesh Virendra Shah	NIL
Jayesh Desai	NIL
Chandrakant Korde	NIL

➤ **Code of Conduct :**

The Company has formulated and adopted a Code of Conduct for its Directors, Senior Management and Designated Employees including their dependants for Prevention of Insider Trading as laid down under Clause 49 of the Listing Agreement and SEBI (Prohibition of Insider Trading) Regulations, 1992. The said Code of Conduct is published on the website of the Company www.n2ntechno.com for reference by any Shareholders, Directors, Senior Management and Employees of the Company.

IV. Audit Committee

The provisions of Corporate Governance as enlisted in the Clause 49 of the Listing Agreement are applicable to the Company from May 10, 2013. Hence, the Board of Directors in its Meeting held on May 27, 2013 has constituted an Independent Audit Committee comprising of 3 (three) members as mentioned below:

Name of the Director	Category
Rajesh Virendra Shah	Chairman
Haren Devidas Parekh	Member
Jayesh Desai	Member

Since the Committee is constituted only in May 2013, no Committee Meetings were held during the financial year ended 31st March, 2013. The role, powers, functions and other terms of reference of the Committee is as set forth in Clause 49 (II) of the Listing Agreement.

V. Shareholders Grievance Committee

The Board of Directors in its Meeting held on May 27, 2013 has constituted an Independent Shareholders Grievance Committee comprising of 3 (three) members as mentioned below:

Name of the Director	Category
Jayesh Desai	Chairman
Haren Devidas Parekh	Member
Rajesh Virendra Shah	Member

Since the Committee is constituted only in May 2013, no Committee Meetings were held during the financial year ended 31st March, 2013.

The major functions of the Committee includes reviewing the status and monitoring the redressal of Shareholder / Investor complaints relating to shares, non - receipt of Annual Reports, issue of duplicate certificates and all other matters in respect of investor complaints / grievances.

The Registrar and Transfer Agents of the Company was M/s. Bigshare Services Pvt Ltd. However, the Company in its Meeting held on 17th October, 2012 has appointed Universal Capital Securities Pvt Ltd (Formerly known as Mondkar Computers Pvt Ltd) as its Registrars and Transfer Agents to consider, approve or reject the share transfer, transmission, consolidations, splitting, demat & remat of shares and to carry out related functions and to carry out all documentation and procedures in connection with the same.

During the financial year 2012-2013, a total of Nil queries /complaints were received by the Company from Shareholders / Investors as detailed below.

Particulars	No. of Complaints
No. of Complaints resolved as on March 31, 2013	Nil
No of Complaints pending as on March 31, 2013	Nil
No. of pending share transfers as on March 31, 2013	Nil

The Company has designated Mr. M. Rushikesh as the Compliance Officer of the Company.

The contact details are as under:

Name, Designation, Contact & Address of Compliance Officer :

Mr. M. Rushikesh

Office No. 101, P1 Pentagon, Magarpatta City, Hadapsar, Pune – 411 013.

E-mail: mrushikesh@n2ntechno.com

Contact: (020) 30525201

VI. Merger Committee

The Board of Directors in its Meeting held on September 24, 2012 had constituted a Merger Committee to consider the proposal of Amalgamation of the Company with M/s. Leadsoft Softech Private Ltd and perform all the authorized activities relating to the Merger. The Committee comprises 5 (five) Members viz., Mr. Rahul Dilip Shah, Mr. Rajesh Virendra Shah, Mr. Haren Devidas Parekh, Mr. Jayesh Desai, the Directors and Mr. M. Rushikesh, Compliance Officer of the Company.

During the year, 1 (one) Meeting was held on 17th October, 2012. All the members were present and Mr. Rahul Shah was present through Video Conference.

VII. General Body Meetings:

➤ Meetings :

The details of the last three Annual General Meetings held are as under :

Financial Year 2011-12 :

Date: 21st September, 2012

Time: 3 p.m

Location: Courtyard, Mumbai International Airport, CTS 215, Andheri Kurla Road, Andheri (E), Mumbai - 400059

Special Resolutions: NIL

Financial Year 2010-11 :

Date: 30th September, 2011

Time: 10.30 a.m

Location: 13/103, Indra Darshan – 11, Oshiwara, New Link Road, Andheri (W), Mumbai - 400053

Special Resolutions: NIL

Financial Year 2009-10 :

Date: 30th September, 2010

Time: 10.30 a.m

Location: 13/103, Indra Darshan – 11, Oshiwara, New Link Road, Andheri (W), Mumbai - 400053

Special Resolutions: NIL

All the resolutions at the last Annual General Meeting were passed by show of hands by members attending the meeting.

➤ Postal Ballot :

During the year, the Company had conducted 3 (three) Postal Ballots for obtaining Shareholders approval for the following matters :

i) Special Resolutions dated 17th August, 2012 :

Voting through Postal Ballot was conducted to obtain the approval of Shareholders for the following 3(three) business:

- ◆ Change in Name of the Company from “Visisth Mercantile Ltd” to “N2N Technologies Ltd” pursuant to Section 21 of the Companies Act, 1956.
- ◆ Shifting of Registered Office of the Company from Jurisdiction of ROC of “Mumbai” to jurisdiction of ROC of “Pune” pursuant to Section 17 of the Companies Act, 1956.
- ◆ Change in Object Clause in Memorandum of Association of the Company pursuant to Section 16, 17, 18 of the Companies Act, 1956.

The Company complied with the procedure for the postal ballot in terms of the Companies (Passing of Resolution by Postal Ballot) Rules, 2011 and the amendments thereto. Ms. Divya Momaya of M/s. D S Momaya & Co, Company Secretaries acted as scrutinizer for Postal Ballot whose results were announced on 17th August, 2012.

Voting Pattern : The voting pattern of the postal ballot is as under :

	Votes in Favor		Vote Against		Invalid Votes		Total Votes	
	No. of Votes	No. of Shares	No. of Votes	No. of Shares	No. of Votes	No. of Shares	No. of Votes	No. of Shares
Change in Name	20	1542310	NIL	NIL	NIL	NIL	20	1542310
Shifting of Registered Office	19	1542305	1	5	NIL	NIL	20	1542310
Change in Object Clause	20	1542310	NIL	NIL	NIL	NIL	20	1542310

Thus, all the three resolutions were passed by requisite majority

Procedure for voting by Postal Ballot :

The Notice of Postal Ballot, the draft Resolution and the Explanatory Statement alongwith the Postal Ballot Forms pertaining to the said Resolutions along with postage prepaid business reply envelopes were dispatched to all its members on July 17, 2012 whose names appeared in the Register of members/list of beneficiaries as on June 22, 2012. The Shareholders were requested to return the duly completed Postal Ballot Forms alongwith their Assent or Dissent so as to reach the Scrutinizer on or before the closing working hours (6 PM) on August 16, 2012.

The particulars of postal ballot forms received were entered in the register separately maintained for the purpose. The Postal Ballot Forms were kept under the safe custody of Ms. Divya Momaya in sealed and tamper proof Ballot Boxes before commencing the scrutiny.

The ballot boxes were opened in presence of Ms. Divya Momaya and the shareholding was matched and confirmed with the Register of members/list of beneficiaries as on June 22, 2012.

Ms. Divya Momaya, scrutinizer appointed for the purpose scrutinized the postal ballot received and submitted her report to the Company on 17th August, 2012.

ii) Special Resolutions dated 31st October, 2012 :

Voting through Postal Ballot was conducted to obtain the approval of Shareholders for Issue of 2,66,666 0% Unsecured Optionally Convertible Debentures on Preferential Issue basis in compliance with section 81(1A) of Companies Act, 1956 and Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

The Company complied with the procedure for the postal ballot in terms of the Companies (Passing of Resolution by Postal Ballot) Rules, 2011 and the amendments thereto. Ms. Divya Momaya of M/s. D S Momaya & Co, Company Secretaries acted as scrutinizer for Postal Ballot whose results were announced on 31st October, 2012.

Voting Pattern:

The voting pattern of the postal ballot is as under :

Votes In Favor		Vote Against		Invalid Votes		Total Votes	
No. of Votes	No. of Shares	No. of Votes	No. of Shares	No. of Votes	No. of Shares	No. of Votes	No. of Shares
07	1264770	NIL	NIL	NIL	NIL	07	1264770

Thus, the resolution was passed by requisite majority.

Procedure for voting by Postal Ballot :

The Notice of Postal Ballot, the draft Resolution and the Explanatory Statement alongwith the Postal Ballot Forms pertaining to the said Resolutions along with postage prepaid business reply envelopes were dispatched to all its members on September 27, 2012 whose names appeared in the Register of members/list of beneficiaries as on September 24, 2012. The Shareholders were requested to return the duly completed Postal Ballot Forms alongwith their Assent or Dissent so as to reach the Scrutinizer on or before the closing working hours (6 PM) on October 27, 2012.

The particulars of postal ballot forms received were entered in the register separately maintained for the purpose. The Postal Ballot Forms were kept under the safe custody of Ms. Divya Momaya in sealed and tamper proof Ballot Boxes before commencing the scrutiny.

The ballot boxes were opened in presence of Ms. Divya Momaya and the shareholding was matched and confirmed with the Register of members/list of beneficiaries as on September 24, 2012.

Ms. Divya Momaya, scrutinizer appointed for the purpose scrutinized the postal ballot received and submitted her report to the Company on 31st October, 2012.

iii) Special Resolutions dated 21st December, 2012 :

Voting through Postal Ballot was conducted to obtain the approval of Shareholders for the following 2 (two) resolutions:

- ◆ Increasing the borrowing limits of the Company to Rs. 20 Crores (Rupees Twenty Crores only) or the aggregate of the paid up capital and free reserves of the Company, whichever is higher pursuant to section 293 (1) (d) of the Companies Act, 1956
- ◆ Creating charge on the movable and immovable properties of the Company, both present and future, in respect of borrowings pursuant to section 293 (1) (a) of the Companies Act, 1956.

The Company complied with the procedure for the postal ballot in terms of the Companies (Passing of Resolution by Postal Ballot) Rules, 2011 and the amendments thereto. Ms. Divya Momaya of M/s. D S Momaya & Co, Company Secretaries acted as scrutinizer for Postal Ballot whose results were announced on 21st December, 2012.

Voting Pattern:

The voting pattern of the postal ballot is as under :

	Votes In Favor		Vote Against		Invalid Votes		Total Votes	
	No. of Votes	No. of Shares	No. of Votes	No. of Shares	No. of Votes	No. of Shares	No. of Votes	No. of Shares
Increase in Borrowing Limits as per Section 293 (1)(d)	08	1363320	NIL	NIL	NIL	NIL	08	1363320
Creating charge on the movable and immovable properties as per Section 293 (1)(a)	08	1363320	NIL	NIL	NIL	NIL	08	1363320

Thus, the resolution was passed by requisite majority.

Procedure for voting by Postal Ballot:

The Notice of Postal Ballot, the draft Resolution and the Explanatory Statement alongwith the Postal Ballot Forms pertaining the said Resolutions along with postage prepaid business reply envelopes were dispatched to all its members on November 19, 2012 whose names appeared in the Register of members/list of beneficiaries as on November 16, 2012. The Shareholders were requested to return the duly completed Postal Ballot Forms alongwith their Assent or Dissent so as to reach the Scrutinizer on or before the closing working hours (6 PM) on December 20, 2012.

The particulars of postal ballot forms received were entered in the register separately maintained for the purpose. The Postal Ballot Forms were kept under the safe custody of Ms. Divya Momaya in sealed and tamper proof Ballot Boxes before commencing the scrutiny.

The ballot boxes were opened in presence of Ms. Divya Momaya and the shareholding was matched and confirmed with the Register of members/list of beneficiaries as on November 16, 2012.

Ms. Divya Momaya, scrutinizer appointed for the purpose scrutinized the postal ballot received and submitted her report to the Company on 21st December, 2012.

VIII. Disclosures :

- There are no material transactions with Directors or the Management or their relatives having potential conflict with the interest of the Company at large. Further all the related party transactions have been disclosed Point No. 29 in Notes forming part of Stand-alone Financial Statements and Point No. 37 in Notes forming part of Consolidated Financial Statements.
- The Company has complied with all requirements of the Listing Agreement with the Stock Exchanges (BSE). No penalties were imposed against the Company by Stock Exchange or SEBI or any statutory authority on any matter related to the capital markets during the last three years.
- As required by SEBI (Prohibition of Insider Trading) Regulations, 1992, the Company has adopted a Code for Prevention of Insider Trading by any personnel of the Company.
- Mandatory Requirements : The Company has complied with all the mandatory requirements as prescribed in Annexure I C to Clause 49 of the Listing Agreement.

IX. Means of Communication :

Quarterly, Half yearly and Annual results are generally published in Business Standard/Prabhat. The Financial Results are made available on the Corporate website of the Company: www.n2ntechno.com. The Company has not made any presentation to Institutional Investors or to the analysts.

➤ Annual General Meeting:

Date	24 th September, 2013
Time	12.30 pm
Venue	Office No. 101, P1 Pentagon, Magarpatta City, Hadapsar, Pune – 411 013

➤ Financial Calendar :

Financial Year	March 31, 2013
Date of Book Closure	17 th September, 2013 to 24 th September, 2013 (both days inclusive)

➤ Listing :

The Company's shares are listed on Bombay Stock Exchange (BSE). The Stock Exchange Codes assigned to the Company is 512279 and the ISIN No is INE043F01011.

➤ **Distribution of Shareholding as on March 31, 2013 :**

Number of Equity Shareholdings	Number of Shareholders	Percentage (%) of shareholders	Number of Shares	Percentage (%) of shareholding
1 - 500	265	67.59	39,278	1.40
501 - 1000	25	6.28	19,239	0.69
1001 - 2000	25	6.28	36,921	1.32
2001 - 3000	17	4.27	43,784	1.56
3001 - 4000	8	2.01	28,053	1.00
4001 - 5000	8	2.01	36,750	1.31
5001 - 10000	19	4.77	1,30,611	4.66
10001 - above	27	6.79	24,65,364	88.06
Total	398	100	28,00,000	100

➤ **Shareholding Pattern as on March 31, 2013 :**

Category	Total no. of shares held	% to Capital
Promoters	17,12,980	61.18
Non Resident Indians	200	0.01
Other Bodies Corporate	4,80,716	17.17
Indian Public	5,83,891	20.85
Clearing Member	22,213	0.79
Total	28,00,000	100

➤ **Dematerialization of Shares :**

The shares of the Company are compulsorily traded in electronic mode and are available for trading with both the depositories in India namely, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on March 31, 2013, 27,64,340 shares representing 98.72% of the Company's paid-up share capital were held in dematerialized form.

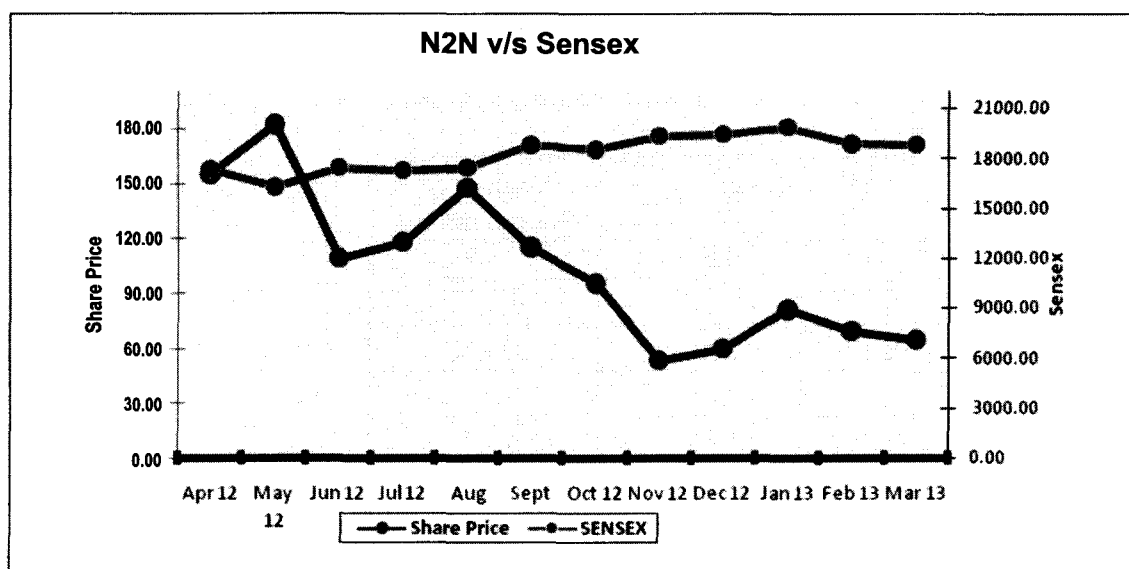
➤ **Market Price Data :**

The monthly high and low closing prices and the volume of shares traded on the Stock Exchange, Mumbai (BSE) is as under :

Months	Share Price		Volume of Shares traded
	High	Low	
Apr - 12	175	122.95	7554
May - 12	184.9	161.85	310
Jun - 12	172.85	109.15	437
Jul - 12	121.25	102.55	3173
Aug - 12	156.3	111.65	79988
Sep - 12	153	107.05	28507
Oct - 12	136.95	95	3231
Nov - 12	94.9	53	41422
Dec - 12	59.45	47.15	37488
Jan - 13	80.65	60.6	3960
Feb - 13	82.2	69.15	10870
Mar - 13	74.4	61.5	11397

➤ **Performance of share price of the Company in comparison to the Sensex:**

Months	Share Price (Closing)	BSE Sensex (Closing)
Apr - 12	154.7	17318.81
May - 12	181.9	16218.53
Jun - 12	109.15	17429.98
Jul - 12	117.5	17236.18
Aug - 12	146.9	17429.56
Sep - 12	115	18762.74
Oct - 12	95.05	18505.38
Nov - 12	53	19339.9
Dec - 12	59.45	19426.71
Jan - 13	80.65	19894.98
Feb - 13	69.2	18861.54
Mar - 13	64.05	18835.77



➤ **Address for Correspondence :**

N2N Technologies Ltd
Office No. 101, P1 Pentagon,
Magarpatta City, Hadapsar,
Pune – 411 013
Tel: (020) 30525201.

➤ **Subsidiaries :**

i) **DSR infotech Private Limited -**

Office No.101, P1 Pentagon,
Magarpatta City, Hadapsar,
Pune – 411013

ii) **Katalyst Technologies Inc -**

500 Davis St., Ste 801
Evanston, IL 60201

➤ **Registrar and Share Transfer Agent :**

Universal Capital Securities Pvt Ltd.
(Formerly known as Mondkar Computers Pvt Ltd.)

21, Shakil Niwas, Opp. Satya Saibaba Temple,
Mahakali Caves Road, Andheri (East),
Mumbai - 93.

For and on behalf of the
Board of Directors

Place : Mumbai
Date : May 27, 2013

Rahul Shah
Director

CEO and CFO Certification
[Pursuant to Clause 49(V) of the Listing Agreement]

We, Rahul Shah, Director of N2N Technologies Limited and Mr. M. Rushikesh, CFO of the company do hereby certify to the Board that :

- a. We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2013 and that to the best of our knowledge and belief :
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or we propose to take to rectify these deficiencies.
- d. We have indicated to the auditors;
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-
Rahul Shah
Director

Place: Mumbai
Date: May 27, 2013

Sd/-
M. Rushikesh
Chief Financial Officer

Place: Mumbai
Date: May 27, 2013

Independent Auditor's Report

To the Members of N2N TECHNOLOGIES LIMITED.

We have audited the accompanying financial statements of N2N Technologies Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). 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.

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.

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 :

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
 - 1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") 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, and Cash Flow Statement 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, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For, DMKH & Co,
Chartered Accountants,
FRN : 116886W

CA. DurgeshKabra
Partner
M.No. 044075
Place: Mumbai
Date : May 27, 2013

ANNEXURE TO THE AUDITORS' REPORT

- i. a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) We have been informed that the fixed assets of the Company have been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
- c) According to the information & explanation given to us, the Company has not disposed of any substantial part of its fixed assets during the year.
- ii. a) As explained to us, inventories (shares in demat form) have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- b) In our opinion and according to the information and explanation given to us, the procedure of physical verification of Inventories referred to in 2(a) above followed by the management, are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) In our opinion and according to the information and explanation given to us, the company has maintained proper records of inventories. As per the information and explanation provided to us and having regard to the size of the company, no material discrepancies were noticed on physical verification of inventory as compared to book records.
- iii. a) In our opinion and according to the information given to us, the company has granted interest free loan to one parties covered in the Register maintained under section 301 of the Companies, Act 1956. The maximum amount involved during the year was Rs.2, 65, 70, 477/- and the year end balance was Rs 2,65,70,477/-.
- b) In our opinion the terms and condition of such interest free loans/advances given to company, firm or other parties listed in the registers maintained under section 301 of the Companies Act, 1956 are not, prima facie prejudicial to the interest of the company.
- c) According to the information given to us, no repayment schedule has been specified and accordingly the question of regularity in repayment of principal amount, wherever applicable, does not arise.
- d) As stated above, no repayment schedule has been specified and there is no overdue amount in excess of Rs.1 lakh.
- e) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the clause (iii) (f) and (iii) (g) of paragraph 4 of the order are not applicable to the company for the year.
- iv. In our opinion and according to the information and explanations given to us there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regards to the purchase of inventory (shares), fixed assets and sale of goods (shares). During the course of our audit, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. a) In our opinion, and according to the information and explanations given to us, the transactions that need to be entered into the register maintained under Section 301 of the Companies act, 1956 have been so entered.
- b) In our opinion and according to information and explanation given to us, where such transactions are in excess of Rupees Five Lacs or more during the year in respect of any party have been made at a prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- vi. The Company has not accepted any deposits during the year under the provisions of section 58A and 58AA of the Companies Act, 1956, and the rules framed there under are not applicable.
- vii. As explained to us, there is no formal internal audit system. However, the Company has adequate internal control procedure involving internal checking of its financial record.
- viii. According to the information and explanation given to us, the Central Government has not prescribed maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956 for the Company.
- ix. a) According to the information and explanation given to us the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable.

- b) According to the information and explanation given to us, no undisputed amount payable in respect of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess were in arrears, as at 31st March, 2013 for a period of more than six months from the date they became payable.
- x. The Company has accumulated losses at the end of the financial year and has incurred cash loss for the year covered by our audit and immediately preceding financial year.
- xi. Based on our examination of the records and the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- xii. Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion and according to the information and explanation given to us, the Company is not a chit fund or a nidhi / mutual benefit fund/society. Accordingly the provisions of the clause 4(xiii) of the said order are not applicable to the Company.
- xiv. The Company has maintained proper records of the transactions and contracts of the investment dealt in by the Company and timely entries have been made therein. The investments made by the Company are held in its own name.
- xv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi. According to the information and explanation given and based on the documents and records produced, the company has not taken any term loan for the period.
- xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, in our opinion that no funds raised on a short-term basis which have been used for long term investment.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.
- xix. According to the information and explanations given to us, the Company has issued 2,66,666 Optionally Convertible Debentures to Mr. Vijay Chheda during the year. Also refer note no 22.
- xx. According to the information and explanations given to us, the Company has not raised any money by way of public issue during the year and accordingly the provision of the relevant clause of the order is not applicable to the Company.
- xxi. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For, DMKH & Co,
Chartered Accountants,
FRN : 116886W

CA. DurgeshKabra
Partner
M.No. 044075
Place: Mumbai
Date : May 27, 2013

BALANCE SHEET AS AT 31st MARCH, 2013

Particulars	Note No.	As at 31 March, 2013	As at 31 March, 2012
		Rs.	Rs.
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	28,000,000	28,000,000
(b) Reserves and surplus	3	32,597,922	34,549,541
		60,597,922	62,549,541
2 Non-current liabilities			
(a) Long-term borrowings	4	250,000	250,000
(b) Deferred tax liabilities		-	236,941
(c) Other long-term liabilities		-	-
(d) Long-term provisions		-	-
		250,000	486,941
3 Current liabilities			
(a) Short-term borrowing	5	40,000,000	-
(b) Trade payables	6	4,951,366	5,280,329
(c) Other current liabilities	7	691,436	100,220
(d) Short-term provisions	8	227,179	729,682
		45,869,981	6,110,231
TOTAL		106,717,902	69,146,713
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	814,559	1,097,827
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(v) Fixed assets held for sale		-	-
		814,559	1,097,827
(b) Non-current investments	10	32,450,000	-
(c) Deferred tax assets (net)		2,755,445	-
(d) Long-term loans and advances		-	-
(e) Other non-current assets		-	-
		35,205,445	-
2 Current assets			
(a) Current investments		-	-
(b) Inventories	11	611,052	943,585
(c) Trade receivables	12	7,947,705	6,970,750
(d) Cash and cash equivalents	13	120,692	126,252
(e) Short-term loans and advances	14	61,661,360	59,166,401
(f) Other current assets	15	357,089	841,898
		70,697,898	68,048,886
TOTAL		106,717,902	69,146,713
Significant Accounting Policies	1		
The accompanying notes are an integral part of the financial statements			

In terms of our report attached.
For DMKH & Co.
Chartered Accountants
FRN:- 116886W

For and on behalf of the Board

CA. DURGESH KABRA
Partner M.No.-44075
Place : Mumbai
Date : May 27, 2013

Director
Place : Mumbai
Date : May 27, 2013

STATEMENT FOR PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2013

Particulars	Note No.	For the year ended 31 March, 2013	For the year ended 31 March, 2012
		Rs.	Rs.
A CONTINUING OPERATIONS			
1 Revenue from operations (gross)		-	-
2 Other income	16	1,093,129	2,498,134
3 Total revenue		1,093,129	2,498,134
4 Expenses			
(a) Cost of Goods Sold	17	332,533	150,671
(b) Employee benefits expense	18	-	79,690
(c) Finance costs		-	-
(d) Depreciation and amortisation expense	9	283,268	382,864
(e) Other expenses	19	5,330,415	685,676
Total expenses		5,946,216	1,298,901
5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		(4,853,087)	1,199,233
6 Exceptional items		-	-
7 Profit / (Loss) before extraordinary items and tax (5 ± 6)		(4,853,087)	1,199,233
8 Extraordinary items		-	-
9 Profit / (Loss) before tax (7 ± 8)		(4,853,087)	1,199,233
10 Tax expense:			
(a) Current tax expense for current year			227,179
(b) (Less): MAT credit (where applicable)		-	(227,179)
(c) Current tax expense relating to prior years		90,918	-
(d) Net current tax expense		-	-
(e) Deferred tax		2,992,386	(20,485)
		(2,901,468)	(20,485)
11 Profit / (Loss) for the year		(1,951,619)	1,219,718
12 Earnings per share (of Rs. 10/- each):			
(a) Basic		-0.70	0.44
(b) Diluted		-0.64	0.44
The accompanying notes are an integral part of the financial statements			

In terms of our report attached.
For DMKH & Co.
Chartered Accountants
FRN:- 116886W

For and on behalf of the Board

CA. DURGESH KABRA
Partner M.No.-44075
Place : Mumbai
Date : May 27, 2013

Director
Place : Mumbai
Date : May 27, 2013

Cash Flow Statement for the year ended 31 March, 2013

Particulars	For the year ended 31 March, 2013		For the year ended 31 March, 2012	
	Rs.	Rs.	Rs.	Rs.
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		(1,951,619)		1,199,233
<i>Adjustments for:</i>				
Depreciation and amortisation	283,268		382,863	
Interest income	(1,086,129)		-	
Dividend Income	(7,000)		(7,000)	
Deferred tax Asset	(2,992,386)			
		(3,802,247)		375,863
Operating profit / (loss) before working capital changes		(5,753,866)		1,575,096
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	332,533		150,671	
Trade receivables	(976,955)		10,263,711	
Short-term loans and advances	(2,494,959)		(14,606,368)	
Other current Assets	484,809		(475,656)	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	(328,964)		(767)	
Other current liabilities	591,216		91,932	
Other long-term liabilities				
Short-term provisions	(502,503)		227,179	
Long-term provisions				
Cash flow from extraordinary Items		(2,894,823)		(4,349,298)
Cash generated from operations		-		-
Net income tax (paid) / refunds		(8,648,689)		(2,774,202)
Net cash flow from / (used in) operating activities (A)		(8,648,689)		(2,774,202)
B. Cash flow from investing activities				
Loans Taken				
- Others	40,000,000		-	
Investment in equity shares	(32,450,000)		-	
Dividend Income	7,000		7,000	
Interest Income	1,086,129		-	
		8,643,129		7,000
Cash flow from extraordinary items		-		-
		8,643,129		7,000
Net income tax (paid) / refunds		-		-
Net cash flow from / (used in) investing activities (B)		8,643,129		7,000
C. Cash flow from financing activities				
Net cash flow from / (used in) financing activities (C)		-		-
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		(5,560)		(2,767,202)
Cash and cash equivalents at the beginning of the year		126,252		2,893,454
Cash and cash equivalents at the end of the year		120,692		126,252
Reconciliation of Cash and cash equivalents with the Balance Sheet		120,692		126,252

Notes : (i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.
See accompanying notes forming part of the financial statements

In terms of our report attached.
For DMKH & Co.
Chartered Accountants
FRN:- 116886W

CA. DURGESH KABRA
Partner M.No.- 44075
Place : Mumbai Date : May 27, 2013

For and on behalf of the Board

Director Director
Place : Mumbai
Date : May 27, 2013

Note 1 : Corporate Information & Significant Accounting Policies

□ Corporate Information

A. Brief Business Activity

- IT and IT Enabled Services - As per objects clause.

B. Place of Business

- Office No. 101, P1 Pentagon, Magarpatta City, Hadapsar, Pune – 411013

C. Subsidiary Company

The Company was allotted 3,24,500 shares of Rs.100/- each of DSR Infotech Private Limited against share application money of Rs. 3,24,50,000/- on 2nd November, 2012. As a result, N2N Technologies Limited holds 68.39% of DSR Infotech Private Limited. N2N Technologies Limited henceforth will be the Holding Company of DSR Infotech Private Limited.

□ Basis of Accounting

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The Company follows the accrual system of accounting on a going concern basis.

□ Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

□ Inventories

Stock of Shares is valued at the lower of cost determined on FIFO basis or market value.

□ Fixed assets

Fixed assets are stated at cost of acquisition or construction. All cost relating to the acquisition and installation of fixed assets are capitalized and includes borrowing cost directly attributable to company.

□ Capital work-in-progress

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

□ Depreciation

The company is providing depreciation on depreciable fixed assets at the rates provided on Written Down Value Method basis at the rates provided by the schedule XIV of The Companies Act, 1956 from the date of actual put to use i.e. on pro-rata basis.

□ Revenue Recognition

All income is accounted on accrual basis. Dividend income is accounted on cash basis.

□ Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

□ Borrowing Cost

Borrowing costs directly attributable to the acquisition and construction of qualifying fixed assets are capitalized as part of the cost of the assets, up to the date the asset is put to use. Other borrowing costs are charged to the Profit and Loss Account.

□ Earnings per share

The earnings considered in ascertaining the company's EPS comprise of the net profit after tax as per Accounting Standard 20 on "Earnings Per Share", issued by the Institute of Chartered Accountants of India. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the period. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless the effect of the potential dilutive equity shares is anti-dilutive.

□ Preliminary Expenditure

Preliminary Expenditure is apportioned in five equal installments, commencing from the year in which the expenditure has been incurred.

□ Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax arising on account of timing differences and which are capable of reversal in one or more subsequent periods is recognized using the tax rates and tax laws that have been enacted or substantively enacted. Deferred tax assets are not recognized unless there is virtual certainty with respect to the reversal of the same in future years.

□ Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized in accordance with Accounting Standard-28 "Impairment of Assets", for the amount by which the asset's carrying amount exceeds its recoverable amount as on the carrying date. The recoverable amount is higher of the asset's fair value less costs to sell vis-à-vis value in at the lowest levels for which there are separately identifiable cash flows.

□ Provisions and contingencies

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

A Contingent Liability is disclosed where there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources.

□ Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 2: SHARE CAPITAL

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares	Rs.	Number of shares	Rs.
(a) Authorised : 55,00,000 Equity Shares of Rs. 10/- each (Previous year 55,00,000 Equity Shares of Rs 10/- each)	5,500,000	55,000,000	5,500,000	55,000,000
(b) Issued, subscribed and fully paid-up shares : 28,00,000 Equity Shares of Rs. 10/- each fully paid up (Previous Year 28,00,000 Equity Shares of Rs. 10/- each)	2,800,000	28,000,000	2,800,000	28,000,000
Total Issued, subscribed and fully paid-up shares	2,800,000	28,000,000	2,800,000	28,000,000

(a) Reconciliation of the shares outstanding at the beginning and end of the reporting year

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares	Rs.	Number of shares	Rs.
Equity Shares At the beginning of the year	2,800,000	28,000,000	2,800,000	28,000,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	2,800,000	28,000,000	2,800,000	28,000,000

(b) Shares held by each shareholder holding more than 5% of equity share capital:

Name of the shareholder	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares	% Shareholding	Number of shares	% Shareholding
NISHI KANT SARAWGI	201,000	7.18	170,000	6.07
RAHUL DILIP SHAH	1,258,840	44.96	-	-
REKHA RANI SARAWGI	234,500	8.38	234,500	8.38
AJIT KUMAR SARAWGI	-	-	404,450	14.45
NISHIVIN FINANCE & INVESTMENT PVT LTD	-	-	184,290	6.58
MCPL ESCROW A/C VML OPEN OFFER	-	-	171,700	6.13
VINAY KUMAR SARAWGI	-	-	150,000	5.36
TOTAL [5% & above]	1,694,340	61	1,314,940	47

(c) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10 per share.Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of directors is subject to the approval of the shareholders in ensuing Annual General Meeting. In event of liquidation of the Company,the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The Distribution will be in proportion to the number of equity shares held by the shareholders.

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 3: RESERVES AND SURPLUS

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Rs.	Rs.
(a) Securities premium account (As per last Balance Sheet)	30,881,850	30,881,850
Closing balance	30,881,850	30,881,850
(b) General reserve		
Opening balance	3,667,691	2,447,973
Add: Transferred from surplus in Statement of Profit and Loss	(1,951,619)	1,219,718
Less: Utilised / transferred during the year for:	-	-
Closing balance	1,716,072	3,667,691
(c) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	-	-
Add: Profit / (Loss) for the year	(1,951,619)	1,219,718
Less: Profit / (Loss) transfer to Genral Reserve	(1,951,619)	1,219,718
Closing balance	-	-
Total	32,597,922	34,549,541

NOTE 4 - LONG TERM BORROWINGS

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Rs.	Rs.
(a) Other loans and advances (From Corporate)		
Unsecured		
Tapas Pharmachem Ltd	250,000	250,000
Total	250,000	250,000

NOTE 5 - SHORT TERM BORROWINGS

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Rs.	Rs.
(a) Bonds / debentures		
Unsecured		
Optionally Convertible Debentures-Vijay Chheda	39,999,900	-
(Refer Note-22)		
Vijay Chheda	100	-
Total	40,000,000	-

NOTE- 6 TRADE PAYABLES

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Rs.	Rs.
Trade payables :		
Acceptances	-	-
Other than Acceptances		
DMKH & Co.	227,167	168,179
Salary Payable	74,000	74,000
Professional Fees Payable	16,545	404,496
Prime Time Management Pvt. Ltd.	8,273	8,273
Sharukh N Tara	4,625,381	4,625,381
Total	4,951,366	5,280,329

NOTE-7 OTHER CURRENT LIABILITIES

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Rs.	Rs.
(a) Unpaid dividends	12,835	12,835
(b) Other payables		
Statutory remittances(TDS payable)	612,464	44,944
Expenses Payable	8,018	-
Neha Ghada	-	32,441
Vinay Bafna	-	10,000
Subala Communications Pvt. Ltd.	48,181	-
Bank overdraft	9,938	-
Total	691,436	100,220

NOTE-8 SHORT TERM PROVISIONS

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Rs.	Rs.
Provision - Others :		
(i) Provision for tax	227,179	729,682
(ii) Provision - others	-	-
Total	227,179	729,682

NOTE-9 FIXED ASSETS

Tangible assets	Gross Block	Accumulated depreciation and impairment			Net block	
	Balance as at 1st April, 2012	Balance as at 1 April, 2012	Depreciation/ amortisation expense for the year	Balance as at 31 March, 2013	Balance as at 31 March, 2013	Balance as at 31 March, 2012
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(a) Furniture and Fixtures	91,351	89,859	270	90,129	1,222	1,492
(b) Vehicles-Motor Car	2,470,559	1,400,845	276,948	1,677,793	792,766	1,069,714
(c) Printer	10,250	10,153	39	10,192	58	97
(d) Computers	26,720	17,819	3,560	21,379	5,341	8,901
(e) Air Conditioner	99,960	82,337	2,451	84,788	15,172	17,623
Total	2,698,840	1,601,013	283,268	1,884,281	814,559	1,097,827
Previous year	2,698,840	1,218,149	382,864	1,601,013	1,097,827	1,480,691

NOTE-10 NON CURRENT INVESTMENT

Particulars	As at 31 March, 2013			As at 31 March, 2012		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
A. Long Term Investments						
(a) Investment in equity instruments :						
Subsidiary (Unquoted) - At Cost						
DSR Infotech Private Limited	-	32,450,000	32,450,000	-	-	-
(3,24,500 shares of Rs.100/- each)						
(Refer Note:-21)	-	32,450,000	32,450,000	-	-	-

NOTE- 11 INVENTORIES

(At lower of cost and net realisable value)

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Rs.	Rs.
(a) Stock-in-trade of Shares		
ELPRO International Limited(6 shares @ Rs.341.95)	611,052	943,585
JMD TELEFILMS INDUSTRIES LIMITED		
(70,000 shares @ Rs.8.70)		
Total	611,052	943,585

NOTE- 12 TRADE RECEIVABLES

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Rs.	Rs.
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good	-	-
Unsecured, considered good	7,947,705	6,970,750
Doubtful	-	-
	7,947,705	6,970,750
Less: Provision for doubtful trade receivables	-	-
	7,947,705	6,970,750
Total	7,947,705	6,970,750

NOTE- 13 CASH & CASH EQUIVALENTS

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Rs.	Rs.
(a) Cash on hand	17,707	16,529
(b) Balances with banks		
(i) In current accounts	84,880	91,618
(ii) In earmarked accounts		
- Unpaid dividend accounts	18,105	18,105
Total	120,692	126,252

(The company has liabilities in respect of Unpaid Dividend account for the year 2005-06 of Rs.12,835 and the said amount has been deposited in Indian Bank at OSHIWARA Branch at Mumbai, the present account balance is of Rs.18,105. As per management explanation difference of Rs.5270 is due to amount deposited at the time of account opening.)

NOTE- 14 SHORT TERM LOANS & ADVANCES

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Rs.	Rs.
(a) Loans and advances to related parties		
DSR Infotech Private Limited	26,570,477	32,450,000
	26,570,477	32,450,000
(b) Others-(Recoverable in cash or kind)		
Unsecured, considered good		
Rushi Construction	1,000,000	1,000,000
Soni & Associates	500,000	500,000
Sanjog Developers	18,989,222	22,489,222
Inga Capital Private Limited	2,757,500	-
Leadsoft Softech Private Ltd	5,608,250	-
Leadsoft Solutions Pvt Ltd	1,350,000	-
SDL Trading Pvt Ltd	2,500,000	2,500,000
Tisya Financial Services Private Limited	2,150,000	-
Macwell Services	1,289	-
NEHA RAJEN GADA	7,443	-
MAT Credit entitlement	227,179	227,179
Doubtful	-	-
	35,090,883	26,716,401
Less: Provision for other doubtful loans and advances	-	-
	35,090,883	26,716,401
	61,661,360	59,166,401

NOTE- 15 OTHER CURRENT ASSETS

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Rs.	Rs.
(a) Others		
(i) Others (specify nature)		
Self Assessment tax Paid(A.Y.2010-11)	-	176,102
TDS Receivable	357,089	665,796
Total	357,089	841,898

NOTE- 16 OTHER INCOME

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	Rs.	Rs.
(a) Interest income (TDS Rs.1,08,612/-)	1,086,129	2,484,766
(b) Dividend income	7,000	7,000
(c) Other non-operating income	-	6,368
Total	1,093,129	2,498,134

NOTE -17 COST OF GOODS SOLD

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	Rs.	Rs.
(a) Opening Stock	943,585	1,094,256
Add: Purchases	-	-
	943,585	1,094,256
Less: Closing Stock	611,052	943,585
Cost of Goods Sold	332,533	150,671
Total	332,533	150,671

NOTE- 18 EMPLOYEE BENEFIT EXPENSES

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	Rs.	Rs.
(a) Salaries and wages	-	75,500
(b) Staff Welfare Expenses	-	4,190
	-	79,690

NOTE- 19 OTHER EXPENSES

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	Rs.	Rs.
Accounting Charges	-	7,500
Advertisement Expenses	143,087	30,555
Audit Fee (as per below note (i))	73,034	67,416
Bank Charges	13,483	10,219
BSE Listing Fees	16,854	16,545
Electricity Charges	-	8,640
Travelling Expenses	-	60,989
Telephone Expenses	-	6,120
Filing Fees	249,689	13,718
Misc Expenditure	7,766	5,084
Postage & courier Charges	58,535	-
Printing & Stationary	33,806	6,450
Legal & Professional Expenses	527,683	452,440
Amalgamation/Merger Expenses	3,949,454	-
RTA Charges	32,704	-
Director Sitting Fees	190,000	-
Other Interest (TDS)	34,320	-
Total	5,330,415	685,676

Note 19 Other expenses (contd.)

Notes:

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	Rs.	Rs.
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit	65,000	60,000
(Audit fees 73,034 - Service tax 8,034)		
For taxation matters	-	-
For company law matters	-	-
For management services	-	-
For other services	-	-
Reimbursement of expenses	-	-
Total	65,000	60,000

20. The merger of LeadsoftSoftech Private Limited with the N2N Technologies Limited has been approved by BSE and also the shareholders of the company. A petition under Section 394 of the Companies Act, 1956 for sanctioning the scheme of Amalgamation of LeadsoftSoftech Private Limited with N2N Technologies Limited and their respective shareholders was presented by the Company on 18th April, 2013 and the same has been admitted in the Bombay High Court on 3rd May, 2013. The said petition is fixed for hearing before the Company Judge on 28th Day of June 2013 at 11.00 a.m., at Mumbai High Court. If approved the merger will be effective from 1st April, 2012.
21. To subscribe to shares of DSR Infotech Private Limited, the company paid share application money of Rs. 3,24,50,000/- during March, 2012. The Company was allotted 3,24,500 shares of Rs. 100/- each of DSR Infotech Private Limited on 2nd November, 2012. As a result the company holds 68.39% of DSR Infotech Private Limited making it a subsidiary of the company. DSR Infotech Private Limited has a subsidiary, Katalyst Technologies Inc, USA.
22. During the year the company had issued 2,66,666 0% Unsecured Optional Fully Convertible Debentures @ Rs. 150/- amounting to Rs. 3,99,99,900 to Mr. Vijay Chheda for which necessary approvals had been obtained from the shareholders through Postal Ballot as also from BSE. The term of 0% Unsecured Optionally Convertible Debentures ("OCD") shall be 18 months from the date of allotment and shall be converted into equity shares at the option of the debenture holder. The equity shares arising on conversion shall rank paripassu with existing equity shares. Any OCD pending conversion on expiry of period of 18 months from the date of allotment of OCD shall be converted into Redeemable Non Convertible Debenture of Rs. 10/- each redeemable within a period of 3 (three) years at the coupon rate to be determined by the Board of Directors commencing from expiry of 18 months period. The debenture holder had applied for conversion into shares and the Board has approved the same vide their meeting held on 10.05.2013. Consequent to conversion the paid up capital would increase to Rs. 3,06,66,660 comprising of 30,66,666 shares of Rs. 10/- and the balance amount of Rs. 140 a share will be transferred to Share Premium account.
23. Balances of Debtors, Loans and Advances, Secured & Unsecured Loans, Sundry Creditors & Others are subject to confirmation and reconciliation and consequential adjustments, if any.
24. In the opinion of the Board & to the best of their knowledge & belief the value of realization of current assets, loans & advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet & the provisions for all the loans & determined liabilities is adequate and not in excess of the amount.
25. Provision for retirement benefits to employees was not provided on accrual basis, which is not in conformity with Accounting Standard-15 issued by ICAI and the amount has not been quantified because actuarial valuation report is not available. However, in the opinion of the management the amount involved is negligible and has no material impact on the Statement of Profit & Loss.
26. According to the opinion of the management, there is no impairment in the carrying cost of cash generating units of the Company in terms of accounting standards-28 issued by the Institute of Chartered Accountants of India.
27. The Company has not received the required information from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been made.
28. Segment Information (AS-17)
Company has only one segment of activity namely "IT & IT Enabled Services". Since there is no export turnover, there are no reportable geographical segments. The company has not indulged in share trading activity.
29. Related Party Disclosure (AS-18)
As per the Accounting Standard 18 on "Related Party Disclosures" issued by ICAI the related parties of the company and nature of relationship are as follows:

Related Party	Nature of Relationship
Haren Devidas Parekh	Independent Director (Joined w.e.f 14.11.2011)
Rahul Dilip Shah	Director (Joined w.e.f 14.11.2011)
Jayesh Desai	Independent Director (Joined w.e.f 14.02.2012)
Rajesh Virendra Shah	Independent Director (Joined w.e.f 03.12.2011)
Chandra Shekhar Shantaram Korde	Director (Resigned w.e.f 17.10.2012)
DSR Infotech Pvt.Ltd	One Common Director (w.e.f 14.11.11) and a subsidiary (w.e.f 02.11.2012)

Note : Related Party Relationship is identified by the Management & relied upon by the Auditor.

Nature and volume of transaction carried out with the above related parties in the ordinary course of business for the year ended 31st March, 2013

Particulars	Subsidiary Company	Key Management Personnel	Relative of Key Management Personnel	Investment in Partnership firm
Remuneration and Incentives Directors Sitting Fees	--	1,90,000	--	--
Investments: Share Capital Allotment	3,24,50,000			
<u>Loan/Advance</u>				
Loans Received		5,55,000		
Loans Received -Refunded		5,55,000		
Gross Loans/Advance Given	2,77,59,820		--	--
Loans Given - Refund Received	11,89,343			
Debit Balance as on 31.03.2013*	2,65,70,477		--	--

30. Earnings Per Share (AS-20)

The Earning Per Share computed as per the requirement under Accounting Standard 20 on Earning Per Share issued by The Institute of Chartered Accountant of India, is as under :

Particulars	2012-13 Amt (Rs.)	2011-12 Amt (Rs.)
Net profit/(Loss) after Tax as per P & L Account	(19,51,620)	12,19,718
Weighted Average No. of equity share outstanding	28,00,000	28,00,000
Basic Earnings per Share	(0.70)	0.44
Diluted Earnings per share	(0.64)	-

31. Previous year's figures have been recast/regrouped wherever necessary to conform to the current year's classifications/presentation.

32. Accounting for taxes on income(AS-22) :

Break up of Net Deferred Tax liability into major components of the respective balance is as follows:

Deferred Tax Liability	2012-13 Amt (Rs.)	2011-12 Amt (Rs.)
Opening Balance of Deferred Tax Liability	2,36,941	2,57,426
Add: Deferred Tax Asset during the Year	29,92,386	(20,485)
Closing Deferred Tax Asset/(Liability)	27,55,445	(2,36,941)

For D M K H & CO.
Chartered Accountants
Firm Registration
No.116886W

CA. DurgeshKabra
Partner
M. No. 44075
Place : Mumbai Date : May 27, 2013

For and on behalf of the Board

Director Director
Place : Mumbai
Date : May 27, 2013

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956
RELATING TO SUBSIDIARY COMPANIES**

Name of subsidiary company	Financial year ended on	Date of becoming subsidiary	Currency	Paid up Capital	Holding Company's interest in the subsidiary as of March 31, 2013 in %	For current financial year of the subsidiary		For previous financial years since it became a subsidiary	
						Aggregate profits/(losses) not dealt with in the Holding Company's accounts	Aggregate profits/(losses) dealt with in the Holding Company's accounts	Aggregate profits/(losses) not dealt with in the Holding Company's accounts	Aggregate profits (losses) dealt with in the Holding Company's accounts
DSR Infotech Private Limited	31.03.2013	02.11.2012	INR	47,450,000	68.39	(3,059,054)	NIL	NIL	NIL
Katalyst Technologies Inc.	31.03.2013	02.11.2012	US\$ INR	1000 543,900	100	2,015,512 109,744,628	NIL	NIL	NIL

Notes:

- Indian Rupee equivalent figures have been arrived at by applying the year end inter-bank Exchange Rate :
(a) 1 US\$ = Rs. 54.39 or 1 US\$ = Rs.54.45
- DSR Infotech Private Limited has 100% holding in Katalyst Technologies Inc.

For and on behalf of the Board

Date : May 27, 2013
Place: Mumbai

Director

Director

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors of N2N Technologies Limited

We have audited the accompanying consolidated financial statements of N2N Technologies Limited ("the Company") and its subsidiaries, which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated 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 presentation of the consolidated financial statements that give a true and fair view 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 consolidated 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 consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) In the case of the consolidated Statement of Profit and Loss, of the profit/ loss for the year ended on that date; and
- (c) In the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of both subsidiaries, whose financial statements reflect total assets (net) of 151,679,272 as at March 31, 2013, total revenues (net) of 45,370,215 and net cash flows amounting to 20,162,998 for the year ended on that date. These financial statements / consolidated financial statements have been audited by other auditors whose reports have been furnished to us and our opinion, is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of other matters.

For, DMKH & Co,
Chartered Accountants,
FRN : 116886W

CA. Durgesh Kabra
Partner
M.No. 044075
Place: Mumbai
Date : May 27, 2013

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2013

Particulars		Note No.	As at 31 March, 2013
			Rs.
A	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	(a) Share capital	2	28,000,000
	(b) Reserves and surplus	3	240,036,979
	(c) Minority Interest		50,995,400
			319,032,379
2	Non-current liabilities		
	(a) Long-term borrowings	4	71,973,721
	(b) Deferred tax liabilities		-
	(c) Other long-term liabilities	5	20,396,250
	(d) Long-term provisions		-
			92,369,971
3	Current liabilities		
	(a) Short-term borrowings	6	432,186,346
	(b) Trade payables	7	37,735,330
	(c) Other current liabilities	8	13,750,030
	(d) Short-term provisions	9	227,179
			483,898,885
	TOTAL		895,301,235
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets		
	(i) Tangible assets	10	53,717,413
	(ii) Intangible assets		32,498,825
	(iii) Capital work-in-progress		23,100,000
	(iv) Intangible assets under development		-
	(v) Fixed assets held for sale		-
			109,316,238
	(b) Non-current investments		2,755,445
	(c) Deferred tax assets (net)	11	1,273,750
	(d) Long-term loans and advances	12	5,707,500
	(e) Other non-current assets		-
			9,738,895
2	Current assets		
	(a) Current investments		-
	(b) Inventories	13	611,052
	(c) Trade receivables	14	574,628,162
	(d) Cash and cash equivalents	15	20,162,997
	(e) Short-term loans and advances	16	89,589,939
	(f) Other current assets	17	91,256,151
			776,248,301
	TOTAL		895,301,235
	Significant Accounting Policies	1	
	The accompanying notes are an integral part of the financial statements		

In terms of our report attached.
For DMKH & Co.
Chartered Accountants FRN:- 116886W

CA. DURGESH KABRA
Partner M.No.-44075
Place : Mumbai Date : May 27, 2013

For and on behalf of the Board

Director

Director

Place : Mumbai
Date : May 27, 2013

CONSOLIDATED STATEMENT FOR PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2013

Particulars	Note No.	For the year ended 31 March, 2013
		Rs.
A CONTINUING OPERATIONS		
1 Revenue from operations (gross)	18	2,002,076,129
2 Other income	19	3,693,800
3 Total revenue		2,005,769,929
4 Expenses		
(a) Cost of Goods Sold	20	1,620,561,217
(b) Employee benefits expense	21	98,807,838
(c) Finance costs	22	24,521,066
(d) Depreciation and amortisation expense	10	9,653,937
(e) Other expenses	23	135,041,884
Total expenses		1,888,585,941
5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		117,183,987
6 Exceptional items		-
7 Profit / (Loss) before extraordinary items and tax (5 ± 6)		117,183,987
8 Extraordinary items		-
9 Profit / (Loss) before tax (7 ± 8)		117,183,987
10 Tax expense:		
(a) Current tax expense for current year		15,351,500
(b) (Less): MAT credit (where applicable)		-
(c) Current tax expense relating to prior years		90,918
(d) Net current tax expense		-
(e) Deferred tax		2,992,386
11 Profit / (Loss) After tax		12,450,032
Minority Interest		104,733,955
		18,880,652
12 Profit / (Loss) for the year		85,853,303
13 Earnings per share (of Rs. 10/- each):		
(a) Basic		37.40
(b) Diluted		34.15
The accompanying notes are an integral part of the financial statements	1	

In terms of our report attached.
For DMKH & Co.
Chartered Accountants
FRN:- 116886W

CA. DURGESH KABRA
Partner
M.No.-44075
Place : Mumbai Date : May 27, 2013

For and on behalf of the Board

Director Director
Place : Mumbai
Date : May 27, 2013

**Consolidated Cash Flow Statement for the year ended
31st March, 2013**

Particulars	For the year ended 31 March, 2013	
	Rs.	Rs.
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax		101,741,569
<u>Adjustments for :</u>		
Foreign currency translation difference	-149,288	
Depreciation and amortisation	9,653,937	
Profit on Sale of Assets	-18,682	
Interest paid	24,521,066	
Interest income	-1,086,129	
Dividend Income	-7,000	
		32,913,904
Operating profit / (loss) before working capital changes		134,655,473
<u>Changes in working capital :</u>		
<u>Adjustments for (increase) / decrease in operating assets :</u>		
Inventories	332,533	
Trade receivables	-535,378,476	
Long- term loans and advances	2,966,500	
Short-term loans and advances	-6,107,655	
Other Non current Assets	2,381,555	
Other current Assets	-81,649,533	
<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
Short - Term Borrowings	329,505,994	
Trade payables	32,636,357	
Other current liabilities	910,813	
Short-term provisions	-502,503	
Long-term provisions		
		-254,904,415
Cash flow from extraordinary items		-
Cash generated from operations		-120,248,942
Net income tax (paid) / refunds		
Net cash flow from / (used in) operating activities (A)		-120,248,942

**Consolidated Cash Flow Statement for the year ended
31st March, 2013**

Particulars	For the year ended 31 March, 2013	
	Rs.	Rs.
B. Cash flow from investing activities		
Loans Taken		
- Others	150,136,432	
Investment in equity shares	-32,450,000	
Dividend Income	7,000	
Purchase of Assets	-88,019,447	
Sale of Assets	42,100	
Interest Income	1,086,129	
Business purchase	129,701,929	
		160,504,143
Cash flow from extraordinary items		-
		160,504,143
Net income tax (paid) / refunds		-
Net cash flow from / (used in) investing activities (B)		160,504,143

Particulars	For the year ended 31 March, 2013	
	Rs.	Rs.
C. Cash flow from financing activities		
Repayment Of Car Loan	-165,318	
Interest On Loan/Debentures	-24,521,066	
Share Application Money	4,439,000	
		-20,247,384
Net cash flow from / (used in) financing activities (C)		-20,247,384
		-
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		20,007,817
Cash and cash equivalents at the beginning of the year		155,181
Cash and cash equivalents at the end of the year		20,162,998
Reconciliation of Cash and cash equivalents with the Balance Sheet :		

Notes:

(i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.

(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.

See accompanying notes forming part of the financial statements

In terms of our report attached.
For DMKH & Co.
Chartered Accountants
FRN:- 116886W

CA. DURGESH KABRA
Partner

M.No.-44075

Place : Mumbai

Date : May 27, 2013

For and on behalf of the Board

Director

Director

Place : Mumbai

Date : May 27, 2013

Notes forming part of Consolidated financial statements

Note 1 : Significant Accounting Policies

- Principles of consolidation

The consolidated financial statements relate to N2N Technologies Limited ('the Company') and its subsidiary companies. The consolidated financial statements have been prepared on the following basis :

- a) The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after full eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements"
- b) In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the exchange fluctuation reserve.
- c) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.
- d) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- e) Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
- f) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements. In the books of DSR Infotech Private Limited Deferred Tax asset has not been considered on account of prudence whereas in books of N2N Technologies Limited Deferred Tax asset has been considered.

Name of the enterprise	Country of Incorporation	Nature of Business	Address	Share holding / Controlling Interest
DSR Infotech Private Limited	India	IT & IT Enabled Services	Office No 101, P1 Pentagon, Magarpatta City, Hadapsar, Pune - 411013	68.39%
Katalyst Technologies Inc	U.S.A.	IT & IT Enabled Services	500 Davis Street, Ste 801, Evanston, IL - 60201	100% held by DSR Infotech Private Limited

- Basis of Accounting

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The Company follows the accrual system of accounting on a going concern basis.

- Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

- Inventories

Stock of Shares is valued at the lower of cost determined on FIFO basis or market value.

- Fixed assets

Fixed assets comprise the following:

◆ **Tangible assets :**

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation is provided on the "Written Down Value" method at the rates specified in Schedule XIV of the Companies Act, 1956 or as per the estimated useful lives of the assets, whichever is higher and has been provided on pro-rata basis according to the period each asset was put to use. Depreciation on improvements to leasehold assets have been provided on straight line method, over the period of committed lease hold period.

◆ **Intangible assets :**

Intangible assets are stated at cost less accumulated amortisation and impairment loss, if any. Cost includes all expenses incurred for acquisition of assets. Computer software is amortised over their license period . However when there is no license period, it is amortised at a rate applicable to that class of assets under the Schedule XIV of the Companies Act, 1956

- **Capital work-in-progress**

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

- **Revenue Recognition**

Revenue is primarily derived from Software and Information Technology related services. Arrangements with customers are either on a monthly estimated basis, fixed-price, fixed-timeframe or on a time-and-material basis.

Revenue from cost-plus services are recognized on monthly estimated basis. Annual Technical Services revenue and revenue from fixed- price maintenance contracts are recognized ratably over the period in which services are rendered. Revenue from time-and-material contracts are recognized as the related services are performed and revenue from the end of the last billing to the Balance Sheet date is recognized as unbilled revenue.

- **Project Expenditure**

Project Expenditure on Development of Customized software solutions are recognized when it is probable that the future economic benefits that are attributable to the asset and will flow to the enterprise and the cost of the asset can be measured reliably. Such Assets are amortized as follows :

Project Development Expenditure – over a period of three years from the first year in which the revenue is generated.

- **Foreign Currency Transactions**

The Company is exposed to currency fluctuation on foreign currency transactions. Transactions denominated in foreign currency are recorded at the exchange rate prevailing rate on the date of transaction.

Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of profit and loss of the year.

Translation

Monetary assets and liabilities in foreign currency, which are outstanding as at the year-end, are translated at the year-end at the closing exchange rate and the resultant exchange difference are recognized in the statement of profit and loss. Non-monetary items are stated in the Balance sheet using the exchange rate at the date of transaction.

- **Retirement Benefits**

Defined contribution plans

The company makes Provident Fund contributions to defined contribution plans ("the Schemes") for qualifying employees. Under the schemes, the company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the company are at rates specified in the rules of the Schemes.

The company does not have any defined retirement benefit scheme. AS 15 issued by the ICAI is not considered applicable as none of employee has completed five years of services.

- **Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

- **Borrowing Cost**

Borrowing costs directly attributable to the acquisition and construction of qualifying fixed assets are capitalized as part of the cost of the assets, up to the date the asset is put to use. Other borrowing costs are charged to the Statement of Profit and Loss.

- **Earnings per share**

The earnings considered in ascertaining the company's EPS comprise of the net profit after tax as per Accounting Standard 20 on "Earnings Per Share", issued by the Institute of Chartered Accountants of India. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the period. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless the effect of the potential dilutive equity shares is anti-dilutive.

- **Preliminary Expenditure**

Preliminary Expenditure is apportioned in five equal installments, commencing from the year in which the expenditure has been incurred.

- **Taxes on Income**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax arising on account of timing differences and which are capable of reversal in one or more subsequent periods is recognized using the tax rates and tax laws that have been enacted or substantively enacted. Deferred tax assets are not recognized unless there is virtual certainty with respect to the reversal of the same in future years.

- **Impairment of assets**

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized in accordance with Accounting Standard-28 "Impairment of Assets", for the amount by which the asset's carrying amount exceeds its recoverable amount as on the carrying date. The recoverable amount is higher of the asset's fair value less costs to sell vis-à-vis value in at the lowest levels for which there are separately identifiable cash flows.

- **Provisions and contingencies**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

A Contingent Liability is disclosed where there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources.

- **Insurance claims**

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

- **Other Accounting Policies**

Accounting Policies not specifically referred to are in accordance with Generally Accepted Accounting principles.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
NOTE 2: SHARE CAPITAL

Particulars	As at 31 March, 2013	
	Number of Shares	Rs.
(a) Authorised: 55,00,000 Equity Shares of Rs. 10/- each (Previous year 55,00,000 Equity Shares of Rs 10/- each)	5,500,000	55,00,000
(b) Issued, subscribed and fully paid-up shares: 28,00,000 Equity Shares of Rs. 10/- each fully paid up (Previous Year 28,00,000 Equity Shares of Rs. 10/- each)	2,800,000	28,00,000
Total Issued, subscribed and fully paid-up shares	2,800,000	28,00,000

(a) Reconciliation of the shares outstanding at the beginning and end of the reporting year

Particulars	As at 31 March, 2013	
	Number of Shares	Rs.
Equity Shares		
At the beginning of the year	2,800,000	28,00,000
Issued during the year	-	-
Outstanding at the end of the year	2,800,000	28,00,000

(b) Shares held by each shareholder holding more than 5% of equity share capital:

Name of the shareholder	As at 31 March, 2013	
	Number of Shares	% Shareholding
NISHI KANT SARAWGI	201,000	7.18
RAHUL DILIP SHAH	1,258,840	44.96
REKHA RANI SARAWGI	234,500	8.38
TOTAL [5% & above]	1,694,340	61

(c) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of directors is subject to the approval of the shareholders in ensuing Annual General Meeting. In event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The Distribution will be in proportion to the number of equity shares held by the shareholders.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3: RESERVES AND SURPLUS

Particulars	As at 31 March, 2013
(a) General reserve	
Opening balance	10,855,575
Add: Profit During the year	85,853,303
Less: Transferred to Capital Reserve on Consolidation	(37,028,713)
Less: Transferred to Minority Interest	(17,114,748)
Closing balance	42,565,417
(b) Securities premium account (As per last Balance Sheet)	30,881,850
Closing balance	30,881,850
(c) Foreign currency translation reserve	
Opening balance	
Add / (Less): Effect of foreign exchange rate variations during the year	(140,930)
Closing balance	(140,930)
(d) Capital reserve	
Opening balance	-
Add: Additions during the year (Katalyst Technologies Inc)	129,701,929
Less: Utilised / transferred during the year	-
Closing balance	129,701,929
(e) Capital Reserve on consolidation	
Opening balance	-
Add: Additions during the year	37,028,713
Less: Utilised / transferred during the year	-
Closing balance	37,028,713
Total	240,036,979

NOTE 4 - LONG TERM BORROWINGS

Particulars	As at 31 March, 2013
	Rs.
(a) Term loans	
From banks	
Secured	22,772,721
(b) Other loans and advances (From Corporate)	
Unsecured	
Tapas Pharmachem Ltd	250,000
Others	48,951,000
Total	71,973,721

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5 - OTHER LONG-TERM LIABILITIES

Particulars	As at 31 March, 2013
	Rs.
(a) Others Unsecured Others	20,396,250
Total	20,396,250

NOTE 6 - SHORT TERM BORROWINGS

Particulars	As at 31 March, 2013
	Rs.
(a) Loans repayable on demand From banks Secured	344,721,346
(b) Loans and advances from related parties Unsecured Others	965,000
(c) Other loans and advances Bonds / debentures Unsecured Optionally Convertible Debentures-Vijay Chheda Vijay Chheda Debentures Debenture Application Money	39,999,900 100 45,000,000 1,500,000
Total	432,186,346

NOTE- 7 TRADE PAYABLES

Particulars	As at 31 March, 2013
	Rs.
Trade payables :	
Other than Acceptances	
DMKH & Co.	227,167
Salary Payable	74,000
Professional Fees Payable	16,545
Prime Time Management Pvt. Ltd.	8,273
Sharukh N Tara	4,625,38
Others	32,783,965
Total	37,735,330

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE-8 OTHER CURRENT LIABILITIES

Particulars	As at 31 March, 2013
	Rs.
(a) Unpaid dividends	12,835
(b) Other payables	
Statutory remittances(TDS payable)	3,535,203
Expenses Payable	8,018
Subala Communications Pvt. Ltd.	48,181
Bank overdraft	9,938
Advance from customers	1,405,093
Interest accrued & due on debentures	3,291,762
(c) Share Application Money*	5,439,000
Total	13,750,030

* Received by Katalyst Technologies Inc.

NOTE-9 SHORT TERM PROVISIONS

Particulars	As at 31 March, 2013
	Rs.
Provision - Others :	
(i) Provision for tax	227,179
(ii) Provision - others	-
Total	227,179

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE-10 FIXED ASSETS

A.	Tangible assets	Gross block					
		Balance as at 1 April, 2012	Additions	Disposals	Borrowing cost capitalised	Other adjustments	Balance as at 31 March, 2013
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	(a) Furniture and Fixtures	3,154,506	-	-	-	-	3,154,506
	(b) Vehicies-Motor Car	3,447,807	-	-	-	-	3,447,807
	(c) Printer	10,250	-	-	-	-	10,250
	(d) Computers	4,022,021	-	453,420	-	-	3,568,601
	(e) Air Conditioner	99,960	-	-	-	-	99,960
	(f) Office equipments	626,410	6,800	820	-	-	632,390
	(g) Electrical Installation	473,884	-	-	-	-	473,884
	(h) Leasehold Improvement	8,830,367	-	-	-	-	8,830,367
	(i) Building	26,923,050	-	-	-	-	26,923,050
	(j) Land	20,797,539	-	-	-	-	20,797,539
	Total	68,385,794	6,800	454,240	-	-	67,938,354
A.	Intangible assets	Gross block					
		Balance as at 1 April, 2012	Additions	Disposals	Borrowing cost capitalised	Other adjustments	Balance as at 31 March, 2013
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	(k) Softwares	48,317,207	25,479,104	-	-	-	73,796,311
	Total	48,317,207	25,479,104	-	-	-	73,796,311

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE-10 FIXED ASSETS

	Tangible assets	Accumulated depreciation and impairment				Net block
		Balance as at 1 April, 2012	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31 March, 2013	Balance as at 31 March, 2013
		Rs.	Rs.	Rs.	Rs.	Rs.
	(a) Furniture and Fixtures	863,177	414,730	-	1,277,907	1,876,599
	(b) Vehicles-Motor Car	1,890,090	403,292	-	2,293,382	1,154,425
	(c) Printer	10,153	39	-	10,192	58
	(d) Computers	2,001,637	800,556	430,624	2,371,569	1,197,032
	(e) Air Conditioner	82,337	2,451	-	84,788	15,172
	(f) Office equipments	117,237	71,305	198	188,344	444,046
	(g) Electrical Instaliation	91,717	53,158	-	144,875	329,009
	(h) Leasehold Improvement	1,717,230	523,686	-	2,240,916	6,589,451
	(i) Building	4,711,534	897,435	-	5,608,969	21,314,081
	(j) Land	-	-	-	-	20,797,539
	Total	11,485,112	3,166,652	430,822	14,220,941	53,717,413
	Intangible assets	Accumulated depreciation and impairment				Net block
		Balance as at 1 April, 2012	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31 March, 2013	Balance as at 31 March, 2013
		Rs.	Rs.	Rs.	Rs.	Rs.
	(k) Softwares	34,818,559	6,478,927	-	41,297,486	32,498,825
	Total	34,818,559	6,487,285	-	41,297,486	32,498,825

NOTE-11 LONG TERM LOANS AND ADVANCES

Particulars	As at 31 March, 2013
	Rs.
(a) Security deposits	
Secured, considered good	
Unsecured, considered good	
Magarpatta Office	1,200,000
VSNL & Vodafone	73,750
Total	1,273,750

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE-12 OTHER NON CURRENT ASSETS

Particulars	As at 31 March, 2013
	Rs.
(a) Unamortised expenses Board Share Project	5,707,500
Total	5,707,500

NOTE- 13 INVENTORIES
(At lower of cost and net realisable value)

Particulars	As at 31 March, 2013
	Rs.
(a) Stock-in-trade of Shares ELPRO International Limited(6 shares @ Rs.341.95) JMD TELEFILMS INDUSTRIES LIMITED (70,000 shares @ Rs.8.70)	611,052
Total	611,052

NOTE- 14 TRADE RECEIVABLES

Particulars	As at 31 March, 2013
	Rs.
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	
Secured, considered good	
Unsecured, considered good	57,099,271
Doubtful	-
	57,099,271
Less :Provision for doubtful trade receivables	-
	57,099,271
Other Trade receivables	
Secured, considered good	-
Unsecured, considered good	517,528,891
Doubtful	-
	517,528,891
Less: Provision for doubtful trade receivables	-
	517,528,891
Total	574,628,162

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE- 15 CASH & CASH EQUIVALENTS

Particulars	As at 31 March, 2013
	Rs.
(a) Cash on hand	26,026
(b) Balances with banks	
(i) In current accounts	20,118,866
(ii) In earmarked accounts	
Unpaid dividend accounts	18,105
Total	20,162,997

(The company has liabilities in respect of Unpaid Dividend account for the year 2005-06 of Rs.12,835 and the said amount has been deposited in Indian Bank at OSHIWARA Branch at Mumbai, the present account balance is of Rs.18,105. As per management explanation difference of Rs.5270 is due to account deposited at the time of account opening.)

NOTE- 16 SHORT TERM LOANS & ADVANCES

Particulars	As at 31 March, 2013
	Rs.
(a) Loans and advances to related parties	
Rahul Shah	50,385,744
	50,385,744
(b) Prepaid expenses - Unsecured, considered good	4,050,728
(c) Others-(Recoverable in cash or kind)	
Unsecured, considered good	
Rushi Construction	1,000,000
Soni & Associates	500,000
Sanjog Developers	18,989,222
Inga Capital Private Limited	2,757,500
Leadsoft Softech Private Ltd	5,608,250
Leadsoft Solutions Pvt Ltd	1,350,000
SDL Trading Pvt Ltd	2,500,000
Tisya Financial Services Private Limited	2,150,000
Macwell Services	1,289
NEHA RAJEN GADA	7,443
	34,863,704
Less: Provision for other doubtful loans and advances	-
	34,863,704
(d) Balances with government authorities	
Unsecured, considered good	
(i) Service Tax credit receivable	218,023
(ii) Income Tax	71,740
	289,763
Total	89,589,939

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE- 17 OTHER CURRENT ASSETS

Particulars	As at 31 March, 2013
	Rs.
(a) Others	
(i) Others (specify nature)	
MAT Credit entitlement	227,179
TDS Receivable	357,089
Others	90,671,883
Total	91,256,151

NOTE- 18 REVENUE FROM OPERATIONS

Particulars	For the year ended 31 March, 2013
	Rs.
(a) Professional service rendered	2,002,076,129
Total	2,002,076,129

NOTE- 19 OTHER INCOME

Particulars	For the year ended 31 March, 2013
	Rs.
(a) Interest income	1,086,129
(b) Dividend income	7,000
(c) Other non-operating income	2,600,671
Total	3,693,800

NOTE -20 COST OF GOODS SOLD

Particulars	For the year ended 31 March, 2013
	Rs.
(a) Opening Stock	943,585
Add: Purchases	-
	943,585
Less: Closing Stock	611,052
Cost of Goods Sold	332,533
(b) Cost of Sales	1,620,228,684
Total	1,620,561,217

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE- 21 EMPLOYEE BENEFIT EXPENSES

Particulars	For the year ended 31 March, 2013
	Rs.
(a) Salaries and wages	97,016,094
(b) Staff Welfare Expenses	1,791,744
Total	98,807,838

NOTE- 22 FINANCE COST

Particulars	For the year ended 31 March, 2013
	Rs.
(a) Interest expense on :	
(i) Borrowings	23,878,034
(ii) Others	643,032
Total	24,521,066

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Note 23 OTHER EXPENSES

Particulars	For the year ended 31 March, 2013
	Rs.
Advertisement Expenses	143,087
Audit Fee (as per below note (i))	198,034
Bank Charges	47,089
BSE Listing Fees	16,854
Electricity Charges	774,918
Travelling Expenses	8,881,726
Communication Expenses	2,365,364
Filing Fees	249,689
Misc Expenditure	202,147
Postage & courier Charges	534,265
Printing & Stationary	675,525
Vehicles Expenses	55,997
Insurance	15,212,187
Legal & Professional Expenses	14,508,373
Amalgamation/Merger Expenses	3,949,454
RTA Charges	32,704
Director Sitting Fees	190,000
Computer & Internet Expenses	2,925,621
Contractual Services	156,955
Office Expenses	6,315,044
Rent	9,939,002
Repairs and maintenance -Others	354,286
Charitable contributions	190,575
Non recurring expense	44,254,238
Sales & Marketing	12,790,686
Subscriptions & Dues	2,430,267
Visa amortisation	4,202,887
Project expenses amortised	3,439,060
Audit out of pocket expenses	5,850
Total	135,041,884

NOTE 23 OTHER EXPENSES (Contd.)

Particulars	For the year ended 31 March, 2013
	Rs.
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):	
As auditors - statutory audit	
(Audit fees 1,98,034 - Service tax 8,034)	190,000
For taxation matters	-
For company law matters	-
For management services	-
For other services	-
Reimbursement of expenses	-
Total	190,000

24. The merger of Leadsoft Softech Private Limited with the N2N Technologies Limited has been approved by BSE and also the shareholders of the company. A petition under Section 394 of the Companies Act, 1956 for sanctioning the scheme of Amalgamation of Leadsoft Softech Private Limited with N2N Technologies Limited and their respective shareholders was presented by the Company on 18th April, 2013 and the same has been admitted in the Bombay High Court on 3rd May, 2013. The said petition is fixed for hearing before the Company Judge on 28th Day of June 2013 at 11.00 a.m, at Mumbai High Court. If approved the merger will be effective from 1st April, 2012.
25. To subscribe to shares of DSR Infotech Private Limited, the company paid share application money of Rs.3,24,50,000/- during March, 2012. The Company was allotted 3,24,500 shares of Rs.100/- each of DSR Infotech Private Limited on 2nd November, 2012. As a result the company holds 68.39% of DSR Infotech Private Limited making it a subsidiary of the company. DSR Infotech Private Limited has a subsidiary, Katalyst Technologies Inc, USA.
26. During the year the company had issued 2,66,666 0% Unsecured Optional Fully Convertible Debentures @ Rs.150/- amounting to Rs.3,99,99,900 to Mr. Vijay Chheda for which necessary approvals had been obtained from the shareholders through Postal Ballot as also from BSE. The term of 0% Unsecured Optionally Convertible Debentures ("OCD") shall be 18 months from the date of allotment and shall be converted into equity shares at the option of the debenture holder. The equity shares arising on conversion shall rank paripassu with existing equity shares. Any OCD pending conversion on expiry of period of 18 months from the date of allotment of OCD shall be converted into Redeemable Non Convertible Debenture of Rs.10/- each redeemable within a period of 3 (three) years at the coupon rate to be determined by the Board of Directors commencing from expiry of 18 months period. The debenture holder had applied for conversion into shares and the Board has approved the same vide their meeting held on 10.05.2013. Consequent to conversion the paid up capital would increase to Rs.3,06,66,660 comprising of 30,66,666 shares of Rs.10/- and the balance amount of Rs.140 a share will be transferred to Share Premium account.
27. Unsecured Optionally Convertible Debentures : DSR Infotech Private Limited had issued 450000 Debentures of Rs 100 each through private placement and as per the terms and conditions of the issue , the said debentures were optionally convertible into Equity shares at P E Multiple of PAT for the financial year 2011-12 or redeemed on 14th April 2012. The Management had obtained extension letter from Debenture holders to redeem or convert before 31st December 2012. However the further extension has been obtained upto 31st Dec 2013.
28. Debentures Application Money :DSR Infotech Private Limited has received Rs 2,50,00,000 as Debenture application money as on 31st March 2012. Out of which a sum of Rs 1,00,00,000 was received during the financial year 2011-12 and Rs 15,00,00,000 was received in Financial year 2010-11. The same is received through private placement and as per the terms and conditions of the issue, the said debentures were of Rs. 5,00,00,000 however since the full payment is not received the same were not allotted as on 31st March 2012. The Management has decided to refund the said application money during the financial year 2012-13. However DSR Infotech Private Limited has paid interest Rs. 25,51,047 @ 8 % pa during the year ended on 31st March 2013 (Rs. 21,75,577 during the 2011-12). The holding Company, N2N Technologies Limited has refunded 2.35 cr of the Debenture Application Money on behalf of DSR Infotech Private Limited on 12.11.2012. The balance amount of 15 lakhs has also been refunded on 15.04.2013 by N2N Technologies Limited.
29. DSR Infotech Private Limited has delayed interest payment on unsecured debentures for the FY 2012-2013. However the same will be paid and regularised before Sept 2013.
30. DSR Infotech Private Limited has collected a sum of Rs.25, 51,047 (Previous Year Rs. 21,31,027) as interest from Rahul Shah (Director) on account of amounts due from him (in relation to shares allotment of Visisth Mercantile Ltd to Rahul Shah as mentioned in note 33 below) and the same is netted out in the interest account.
31. Capital Work-in-progress:
DSR Infotech Private Limited has acquired SAP license for Rs. 2,31,00,000/- from Lead Soft Solution Pvt. Ltd. Since the legal ownership of the software is not transferred in the name of DSR Infotech Private Limited due to non-payment of balance consideration and also non completion of technical formalities for transfer of SAP license the same will be capitalized on completion of aforesaid formalities.
32. Balances of Debtors, Loans and Advances, Secured & Unsecured Loans, Sundry Creditors & Others are subject to confirmation and reconciliation and consequential adjustments, if any.
33. In the opinion of the Board & to the best of their knowledge & belief the value of realization of current assets, loans & advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet & the provisions for all the loans & determined liabilities is adequate and not in excess of the amount.
34. Provision for retirement benefits to employees was not provided on accrual basis, which is not in conformity with Accounting Standard-15 issued by ICAI and the amount has not been quantified because actuarial valuation report is not available. However, in the opinion of the management the amount involved is negligible and has no material impact on the Statement of Profit & Loss.
35. According to the opinion of the management, there is no impairment in the carrying cost of cash generating units of the Company in terms of accounting standards-28 issued by the Institute of Chartered Accountants of India.

36. The Company has not received the required information from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence disclosures, if any, relating to amounts unpaid as at the yearend together with interest paid/payable as required under the said Act have not been made.

37. **Related Party Disclosure (AS-18)**

As per the Accounting Standard 18 on "Related Party Disclosures" issued by ICAI the related parties of the company and nature of relationship are as follows:

Related Party	Nature of Relationship
Haren Devidas Parekh	Independent Director (Joined w.e.f 14.11.2011)
Rahul Dilip Shah	Director (Joined w.e.f 14.11.2011)
Jayesh Desai	Independent Director (Joined w.e.f 14.02.2012)
Rajesh Virendra Shah	Independent Director (Joined w.e.f 03.12.2011)
Chandra Shekhar Shantaram Korde	Director (Resigned w.e.f 17.10.2012)
Hina Parekh	Director(resigned w.e.f 1.10.2011)
DSR Infotech Pvt. Ltd	One Common Director (w.e.f 14.11.11) and a subsidiary (w.e.f 02.11.2012)
DSR Management Inc. USA	One Common Director
Embedded Solutions Group USA	One Common Director
Boardshare Inc. USA	One Common Director
RushabhTushar Shah	Son of Director
Sourav Gupta	Brother of Director

Transactions with related parties referred in (I) above, in ordinary course of business:

Sr.No.	Nature of Transactions	Directors and Relatives	Enterprise in which key management personnel have significant influence
1	Services Provided	Nil	1,10,56,182
2	Unsecured Loan Received	2,09,51,250	NIL
3	Unsecured Loan Paid	5,55,000	NIL
4	Loans Given	48,28,135	NIL
5	Loans Given-Refund received	51,28,717	NIL
6	Expenses Reimbursed	NIL	NIL
7	Advances Received		13,86,945
8	Director Sitting Fees	1,90,000	
9	Balances as on 31st March		
	Trade Receivables due to the company	NIL	60,40,770
	Loans Given	5,03,85,744	NIL
	Loans Received	2,13,61,250	NIL
	Advances		13,86,945

Note: Figures for the previous year have been given in brackets.

Note: Related Party Relationship is identified by the Management & relied upon by the Auditor.

38. Leases

DSR Infotech Private Limited has entered into lease agreement for the period of 60 months which are in the nature of operating leases as defined in the Accounting Standard AS – 19 in respect of leases prescribed by Institute of Chartered Accountants of India.

A)	The Total of future minimum lease payment under the non-cancellable operating leases for the each if the following periods	2012-13	2011-12
1	Not later than one year	11,41,209	29,85,562
2	Later than one year but not later than five years	Nil	NIL
3	Later than five years	NIL	NIL
B)	Lease payment recognised in the profit and loss account (Amount is debited to rent account under the head other expenses)	34,74,916	66,31,408

39. DSR Infotech Private Limited had consented to be "Person Acting in Concert" for acquisition of 5,60,000 (20%) shares, along with Mr. Rahul Shah (Director) in an open offer made to the public shareholders of Visisth Mercantile Ltd during the financial year 2010-11. The open offer was made pursuant to Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997 and subsequent amendments thereto. As per SEBI (SAST) Regulations, 1997 amount of Rs.3,33,73,203/- had been deposited in Escrow Account and the same is shown under Loans & Advances Schedule 6. 171,700 shares @Rs.172/- per share were tendered in the open offer. As on 31.03.2011, the shares are lying in Escrow account, pending allotment. However during the year under review, the aforesaid shares were allotted to Rahul Shah, director of DSR Infotech Private Limited instead of the allotment to the company and the amount paid for acquisition of shares were debited to Rahul Shah's Account.

40. Project Expenditure

A) SAP Solutions & Development

During the year 2010-2011, DSR Infotech Private Limited had incurred revenue expenditure towards development of customized solutions for certain software, including SAP Solutions & Development. The Company estimates that the benefit of providing such solutions will accrue to DSR Infotech Private Limited over a period of three years. Based on the estimates, DSR Infotech Private Limited has decided to amortize the expenditure incurred on SAP Solutions & Development over the said period of three years. The expenditure on SAP software customization & development activities, as certified by the management, is Rs. 2, 19, 93,353.

Based on the accounting policy and management estimates mentioned in note 23 parae , the final one-third of the expenditure amounting to Rs.73, 31,117 (Rs. 73,31,117) is amortized during the financial year 2012-13.

Details of said expenses are as follows

Particulars of expenses	Total for SAP	2/3rd Unamortised during 2010-11	1/3 rd amortised during 2011-12	1/3rd amortised during 2012-13
Salaries & Wages	1,42,29,249	94,86,166	47,43,083	47,43,083
Staff Welfare	2,24,901	1,49,934	74,967	74,967
A	1,44,54,150	96,36,100	48,18,050	48,18,050
Internet Charges	22,48,244	14,98,830	7,49,414	7,49,414
Electricity Expenses	6,39,978	4,26,652	2,13,326	2,13,326
Rent	22,34,394	14,89,596	7,44,798	7,44,798
Travel & Conveyance	20,19,974	13,46,650	6,73,324	6,73,324
Telephone Expenses	2,32,640	1,55,093	77,547	77,547
Printing & Stationery	54,746	36,497	18,249	18,249
Legal Expenses	30,480	20,320	10,160	10,160
Repairs & Maint.	78,747	52,498	26,249	26,249
B	75,39,203	50,26,136	5,13,067	25,13,067
Total Rs. (A + B)	2,19,93,353	1,46,62,236	73,31,117	73,31,117

- (B) The project, ISP Asset Servicing & Management Project has not been able to generate any revenue and the Company did not foresee any future prospects. Hence the Company sold the concept and received the one time consideration. So the expenses incurred in prior years are debited to P&L Account and not deferred over a period of three year as it will not be generating any income henceforth. The details of which are as follows :

Particulars of expenses	Total of ISP
Employee Benefit Expenses	14,55,563
Other Expenses (Traveling ,Internet etc)	9,25,992
Total	23,81,555

41. Contingent Liabilities :

Claim against the company not acknowledged as debts :

Particulars	31 March 2013	31 March 2012
Income tax demand where the matter is under dispute	2,24,990	Nil
Fringe Benefit Tax demand where the matter is in appeal	1,195	Nil
Total	2,26,185	Nil

42. Derivative Instruments and unhedged foreign currency exposure:

Particulars of Unhedged foreign currency exposure at the Balance Sheet date	31 March 2013	31 March 2012
Trade receivables	6,56,32,100	4,99,38,472
Advance from Customers	13,86,945	10,69,384
Total	6,70,19,045	5,10,07,856

43. Segment Reporting :

The Company's operation predominantly relates to software product development, hence no reportable primary segment information is made. The secondary segment reporting of the company's revenues are as follows:

Basis of Segmentation	Turnover (Amount in Rs.)
Within India	50,83,983
Outside India	3,87,71,690
Total	4,27,69,544

44. Expenditure in Foreign Currency :

Expenses reimbursed - Rs NIL (Previous Year Rs 1,40,94,041)
Foreign Travelling - Rs 13,69,010 (Previous Year Rs 70,74,046)

45. Earnings in Foreign Currency :

Professional services and software development charges Rs. 3,87,71,690 (Previous Year – Rs.8,20,74,846)

46. Software Development Costs :

In Katalyst Technologies Inc, Software development costs are expenses as incurred until technological feasibility has been established at which time such costs are capitalized until the product is implemented. As of March 31, 2013, Katalyst had gross capitalized costs of \$1,346,388 which is included in "software" on the consolidated balance sheet. Costs that are capitalized include direct labor and related overhead. Amortization of capitalized software development costs begins when the product is implemented. Amortization is computed using the straight-line method over the estimated economic life of the product.

47. Property and Equipment :

In Katalyst Technologies Inc, property and equipment are carried at cost. Depreciation and amortization of property and equipment is computed on both the straight-line basis over the following estimated useful lives :

Building	30 years
Lease hold improvements	30 years
Office Furniture & Equipment	5-7 years
Software	3 years

48. Line of Credit :

At March 31, 2013, Katalyst Technologies Inc, had a \$ 6,001,468 line of credit financing agreement with Bank of Baroda, New York Branch. Interest is payable monthly at LIBOR plus 5.00 % (5.444% at March 31, 2013). The line of credit is secured by various collateral, including, without limitation a Commercial Pledge Agreement, Commercial Security Agreements and Assignment of Life Insurance Policies up on the life of the Company's stockholder, and matures on November 05, 2013.

49. Long term Debt :

Long term Debt of Katalyst Technologies Inc at March 31, 2013 consisted of the following :

Notes payable of \$ 749,939 with monthly payments of \$ 27, 787.27 due to Bank of Baroda with monthly interest payments. Katalyst pays interest at Libor plus 5% (5.44% at March 31, 2013); collateralized by a Commercial Pledge Agreement, Commercial Security Agreement and Assignment of Life Insurance

Policies upon the life of the Company's stockholder.	\$ 749,939
Total Long term debt payable	\$ 749,939
Less: Current Maturities	\$ 333, 447
Balance Payable	<u>\$ 416,492</u>

The aggregate of the annual principal maturities as of March 31, 2013 are as follows :

2014	\$ 333,447
2015	333,447
2016	83,045
	<u>\$ 749,939</u>

50. Operating Leases :

Katalyst Technologies Inc, leases office space in Evanston, Illinois under an operating lease that expires November 30, 2017. The Company is also responsible for real estate taxes, insurance, common are a maintenance and operating expenses.

Future minimum future obligations under extended operating lease at March 31, 2013 are as follows :

2013	\$ 99,810
2014	101,272
2015	137,087
2016	139,036
2017	140,985
Thereafter	95,181
	<u>\$ 713,371</u>

51. Earnings Per Share (AS-20)

The Earning Per Share computed as per the requirement under Accounting Standard 20 on Earning Per Share issued by The Institute of Chartered Accountant of India, is as under :

Particulars	2012-13 Amt (Rs.)	2011-12 Amt (Rs.)
Net profit/(Loss) after Tax as per P & L Account	(19,51,620)	12,19,718
Weighted Average No. of equity share outstanding	28,00,000	28,00,000
Basic Earnings per Share	(0.70)	0.44
Diluted Earnings per share	(0.64)	-

52. Accounting for taxes on income (AS-22) :

Break up of Net Deferred Tax liability into major components of the respective balance is as follows:

Deferred Tax Liability	2012-13 Amt (Rs.)	2011-12 Amt (Rs.)
Opening Balance of Deferred Tax Liability	2,36,941	2,57,426
Add: Deferred Tax Asset during the Year	29,92,386	(20,485)
Closing Deferred Tax Asset/(Liability)	27,55,445	(2,36,941)

For D M K H & CO.
Chartered Accountants
Firm Registration No.116886W

For and on behalf of the Board

CA. DurgeshKabra
Partner
M. No. 44075
Place : Mumbai
Date : May 27, 2013

Director **Director**

Place : Mumbai
Date : May 27, 2013

SUMMARIZED FINANCIAL INFORMATION IN RESPECT OF SUBSIDIARIES OF THE COMPANY IN COMPLIANCE WITH THE TERMS OF GENERAL CIRCULAR ISSUED BY THE CENTRAL GOVERNMENT UNDER SECTION 212(8) OF THE COMPANIES ACT, 1956 VIDE CIRCULAR NO. 5/12/2007-CL-III DATED 8TH FEBRUARY 2011.

In Terms of General Circular issued by the Central Government under Section 212(8) of the Companies Act, 1956 vide Circular No. 5/12/2007-CL-III dated 08th February, 2011, exempted the Company from attaching the Balance Sheet, Profit and Loss Account and other documents of the Subsidiary Companies to its Annual Accounts for the year ended 31.3.2013. Information as required in terms of the aforesaid General Circular is furnished below :

	Name of subsidiary companies	Country of Incorporation	Financial Year ended on	Currency	Capital	Reserves	Total Assets	Total Liabilities	Turnover	Profit / (Loss) before Taxation	Provision for Taxation	Profit/ (Loss) after Taxation
1	DSR Infotech Private Limited	India	31.3.2013	INR	47,450,000	4,128,830	151,679,272	100,100,442	42,769,544	(2,409,054)	650,000	(3,059,054)
2	Katalyst Technologies Inc.	United States	31.3.2013	\$US	\$110,000	\$4,400,177	\$13,180,111	\$8,669,934	\$36,381,253	\$2,285,512	\$270,000	\$2,015,512
				INR	5,982,900	239,325,627	716,866,237	471,557,710	1,980,959,226	124,446,128	14,701,500	109,744,628

Notes :

- None of the above Subsidiaries have proposed any dividend.
- Total of Capital includes \$1,00,000 as Share application fund. Exchange rate : (a) 1 US\$=54.39
- The Company shall provide to any member on request the Annual Accounts of the subsidiaries and other related information at any point of time. Copies of the Annual Accounts of the Subsidiaries shall also be available for inspection by any member at the Registered Office of the Company and its subsidiaries on any working day.
- Indian Rupee equivalent figures have been arrived at by applying the year end inter-bank Exchange Rate : (a) 1 US\$ = 54.39 or 54.45

For and on behalf of the Board

Director

Director

Place : Mumbai
Date : May 27, 2013

Registered Office

Office No. 101, P1 Pentagon, Magarpatta City, Hadapsar, Pune – 411 013